3894. Also, petition of residents of Arkport and West Almond, N. Y., protesting against House bill 78; to the Committee on the District of Columbia.

3895. By Mrs. ROGERS: Petition of Osborne L. Smith, secretary of the Seventh Day Adventist Church, of 98 Marginal Street, Lowell, Mass., with 38 signatures of citizens of Lowell, Mass., against compulsory Sunday observance bill (H. R. 78) or any other similar proposed measure; to the Committee on the District of Columbia.

3896. By Mr. RUBEY: Petition of citizens of sixteenth district of Missouri, protesting against the passage of the compulsory Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

3897. Also, petition by citizens of Wright County, Mo., urging passage of legislation for increased pensions to Civil War veterans and their widows; to the Committee on Invalid Pensions.

3898. By Mr. SHREVE: Petition by a large number of citizens of Spartansburg, Pa., for the immediate passage of pension relief for veterans of the Civil War and their widows, sponsored by the National Tribune; to the Committee on Invalid Pensions.

3899. Also, petition by numerous citizens of Erie, Pa., for the immediate passage of the pension relief bill sponsored by the National Tribune; to the Committee on Invalid Pensions.

3900. Also, petition by numerous citizens of Erie, Pa., protesting against the passage of the Lankford Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

3901. By Mr. SMITH: Communication signed by S. J. Kenepp and other residents of Payette, Idaho, favoring the settlement of international controversies by arbitration, and opposing unreasonable expenditures in enlarging the Navy and Army; to the Committee on Military Affairs.

3902. By Mr. SPEAKS: Petition by Mrs. Effie Makes Russell and some 55 citizens of Columbus, Ohio, urging the enactment of legislation increasing pension rates for Civil War soldiers and survivors; to the Committee on Invalid Pensions.

3903. By Mr. STRONG of Pennsylvania: Petition of 152 citizens of Callensburg, Pa., urging immediate action of Congress on a bill to increase the rates of pension for Civil War veterans and their widows; to the Committee on Invalid Pensions.

3904. By Mr. THOMPSON: Petition of citizens of Latty, Ohio, protesting against House bill 78, the Sunday observance bill; to the Committee on the District of Columbia.

3905. By Mr. TIMBERLAKE: Petition protesting against placing Mexican agricultural immigration on quota basis; to the Committee on Immigration and Naturalization.

3906. Also, petition from Colorado State Farm Bureau, opposing further Mexican immigration restriction as proposed in Box bill; to the Committee on Immigration and Naturalization.

3907. By Mr. WATSON: Resolution passed by the Doylestown (Pa.) Council, No. 40, Sons and Daughters of Liberty, favoring House bill 5473, to provide for the registration of aliens, and for other purposes; to the Committee on Immigration and Naturalization.

3908. Also, resolution passed at the Falls monthly meeting of Friends, held at Fallsington, Pa., February 9, 1928, in opposition to a large naval program; to the Committee on Naval Affairs.

3909. Also, resolution passed by the Colony Club, Ambler, Pa., in opposition to an increased naval program; to the Committee on Naval Affairs.

3910. Also, petition from Wrightstown, Pa., monthly meeting of Friends, in opposition to proposed increased naval program; to the Committee on Naval Affairs.

3911. Also, resolution passed at a meeting of the Makefield Liberty Club, in opposition to the proposed increased naval program; to the Committee on Naval Affairs.

SENATE

WEDNESDAY, *February 15, 1928*

(Legislative day of Monday, February 13, 1928)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Broussard	Deneen	Gerry
Barkley	Bruce	Dill	Gillett
Bayard	Capper	Edge	Glass
Bingham	Caraway	Edwards	Gooding
Black	Copeland	Ferris	Gould
Blaine	Couzens	Fess	Greene
Borah	Curtis	Fletcher	Hale
Bratton	Cutting	Frazier	Harris
Brookhart	Dale	George	Harrison
Hawes	Mayfield	Reed, Pa.	Swanson
Hayden	Metcalf	Robinson, Ark.	Thomas
Heflin	Moses	Robinson, Ind.	Trammell
Howell	Neely	Sackett	Tydings
Johnson	Norbeck	Schall	Tyson
Jones	Norris	Sheppard	Wagner
Kendrick	Nye	Shipstead	Walsh, Mass.
Keyes	Oddie	Shortridge	Walsh, Mont.
King	Overman	Simmons	Warren
La Follette	Phipps	Smith	Waterman
McKellar	Pine	Smoot	Watson
McLean	Pittman	Steck	Wheeler
McMaster	Ransdell	Steiwer	Willis
McNary	Reed, Mo.	Stephens	

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

BATTERY ISLAND FISHERIES STATION, MD.

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation recommended by the department to authorize the sale of the land and improvements known as Battery Island Fisheries Station, Md., which, with the accompanying paper, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

Mr. PITTMAN. Mr. President, I present and ask to have printed in the RECORD and referred to the Committee on Agriculture and Forestry Joint Resolution 2 of the Legislature of the State of Nevada, which is entitled "Assembly joint resolution memorializing the Secretary of Agriculture of the United States to continue in effect his Federal quarantine against importation into the United States of livestock and livestock products from foreign countries where foot-and-mouth disease is known to exist."

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Assembly Joint Resolution 2 (Mr. Winter), memorializing the Secretary of Agriculture of the United States to continue in effect his Federal quarantine against importation into the United States of livestock and livestock products from foreign countries where foot-and-mouth disease is known to exist

[Approved February 3, 1928]

Whereas reports are being circulated that the present Federal Government quarantine against importation to the United States of livestock, meats, hides, and similar livestock products from foreign countries where foot-and-mouth disease is known to exist may be abolished or modified; and

Whereas foot-and-mouth disease is known to be one of the most destructive of the contagious and infectious diseases affecting livestock, its appearance in this country, based upon past experience, not only causing terrific losses of livestock, but requiring control measures necessitating drastic restriction of movement of all kinds of commerce in the areas affected as well as large expenditure of public funds: Therefore be it

Resolved by the Assembly and Senate of the State of Nevada, That we indorse and approve the action of the Secretary of Agriculture of the United States in establishing the aforesaid quarantine and most strongly urge upon him the necessity and desirability of its continuance in force against all foreign countries where foot-and-mouth disease exists; and be it further

Resolved, That copies of this resolution, duly authenticated by the proper officials of the State of Nevada, be sent to the Hon. W. M. Jardine, Secretary of Agriculture of the United States, and to each Member of the Nevada delegation in the Congress of the United States.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
DOUG H. TANDY,
Speaker of the Assembly.
JOHN W. WRIGHT,
Chief Clerk of the Assembly.

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Assembly Joint Resolution No. 2, introduced by Mr. Winter, approved February 3, 1928, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office in Carson City, Nev., this 10th day of February, A. D. 1928.

[SEAL.]

W. G. GREATHOUSE,
Secretary of State.

Mr. PITTMAN. I also present and ask to have printed in the RECORD and referred to the Committee on Post Offices and Post Roads, Assembly Joint Resolution 1, of the Legislature of the State of Nevada, memorializing Congress relative to

Federal aid for highway maintenance. A part of the resolution is as follows:

Resolved by the Senate and Assembly of the State of Nevada, That we respectfully memoralize and petition the Congress of the United States to give due consideration to enacting Federal aid for maintenance purposes on the same ratio as used for the basis of the present Federal aid road act.

I will state that I have introduced a bill in accordance with the resolution just presented, and it is now pending before the Committee on Post Offices and Post Roads.

There being no objection, the resolution was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

STATE OF NEVADA, DEPARTMENT OF STATE,
CARSON CITY, NEV.

Assembly Joint Resolution 1, memorializing Congress relative to Federal aid for highway maintenance, approved February 3, 1928

Whereas the Legislature of the State of Nevada, now assembled in a special session, is again confronted with the necessity of enacting suitable legislation to provide additional funds for the department of highways to be used in maintaining the State's 7 per cent highway system; and

Whereas the tremendous yearly increase in motor transportation is commanding more money each year for maintaining the roads to a standard meeting the requirements of the Federal Bureau of Public Roads; and

Whereas this ever-increasing cost of maintenance is becoming a heavy tax burden upon the people of the State of Nevada; and

Whereas the State of Nevada is the seventh largest State in the Union with 87.72 per cent of the total area untaxable Federal-owned land; and

Whereas the total population of the State is less than 80,000 people; and

Whereas it is of great importance to the State of Nevada and all western and public-land States a policy be developed which will insure Federal aid for the maintenance of the roads built under the Federal aid road act, and on the equitable ratio of public land to privately owned taxable land; and

Whereas the conditions prevailing in the State of Nevada also exist in most western and all public-land States: Now therefore be it

Resolved by the Senate and Assembly of the State of Nevada, That we respectfully memorialize and petition the Congress of the United States to give due consideration to enacting Federal aid for maintenance purposes on the same ratio as used for the basis of the present Federal aid road act; be it further

Resolved, That the secretary of the State of Nevada be, and is hereby, directed to forward a certified copy of this resolution by mail to each and every Member of Congress, to the Secretary of Agriculture, Chief Engineer of the Bureau of Public Roads, the American Automobile Association, the American Association of State Highway Officials, and to the governors and heads of the departments of highways of all western and public-land States.

MORLEY GRISWOLD,
President of the Senate.
V. MERIALDO,
Secretary of the Senate.
DOUG TANDY,
Speaker of the Assembly.
JOHN W. WRIGHT,
Chief Clerk of the Assembly.

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the above resolution is a correct copy of Assembly Joint Resolution 1, introduced by Mr. Boak, January 27, 1928, and approved February 3, 1928.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office in Carson City, Nev., this 7th day of February, A. D. 1928.

[SEAL.]

W. G. GREATHOUSE,
Secretary of State.

Mr. BINGHAM. Mr. President, I present a letter in the nature of a petition from the Chamber of Commerce of Norwich, Conn., which I ask may be printed in the RECORD and referred to the Commerce Committee.

There being no objection, the communication was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

NORWICH, CONN., *February 9, 1928.*

Senator HIRAM BINGHAM,
House of Senate, Congress of the United States,
Washington, D. C.

DEAR SIR: The Norwich Chamber of Commerce, acting through its legislative committee and board of directors, have authorized me to write you stating what action has been taken in regard to legislative affairs, as follows:

1. Merchant marine: The chamber is in accord with the national chamber's views in opposing the Jones bill, S. 744.

2. Federal taxation: Our committee, which considered United States Chamber referendum No. 50, was in favor of immediate reduction and repeals in Federal taxes. They were opposed 2 to 1 to the provision that the report of corporate income tax applicable to net income of 1927 should not exceed 10 per cent; and this committee was in favor of Congress providing full opportunity for the joint tax committee for the Federal tax laws and their administration.

3. Postal rates: The action in this matter was in favor of revision of present postal rates, as the chamber believes that the present postal rates are unscientific and a disappointment in production of revenue to the Government.

4. Mississippi flood control: Our chamber went on record as opposed to the Federal Government absorbing the entire expense of the flood control in the Mississippi Valley. It believes that a proportion of this expense should be borne by the States bordering on the lower Mississippi, as there is a direct benefit accruing to these States by such protection. They are, however, in favor of the Federal Government assuming sole responsibility for locating, constructing, and maintaining such works, and that there should be adequate appropriation to insure efficient, continuous, and economic work, and that the whole matter of flood control should be dealt with in legislation and administration upon its own merits, separate and distinct from any other undertaking.

5. Railroad consolidation: The committee is in favor of railroad consolidation and urges support to the Fess-Parker bill.

6. Bill H. R. 6523: The legislative committee and the board of directors are in favor of the passage of this bill, which seeks to increase the allowance of retired war veterans to $30 per month.

7. Swing-Johnson bill: The legislative committee and board of directors state that in their opinion the Government should let the public utilities alone.

Very truly yours,

NORWICH CHAMBER OF COMMERCE,
WALTER H. PILCHER, *Secretary.*

Mr. JONES presented petitions of teachers of the Lincoln High School, of Seattle, and sundry citizens of Tacoma, all in the State of Washington, praying for the passage of legislation to create a Federal department of education, which were referred to the Committee on Education and Labor.

Mr. BLAINE presented a petition of sundry citizens of the State of Wisconsin, praying for the passage of the bill (S. 1481) to amend sections 11 and 12 of an act to limit the immigration of aliens into the United States, and for other purposes, approved May 26, 1924, which was referred to the Committee on Immigration.

He also presented a memorial signed by 329 citizens of the State of Wisconsin, remonstrating against the passage of the so-called Brookhart bill, relative to the distribution of motion pictures in the various motion-picture zones of the country, which was referred to the Committee on Interstate Commerce.

Mr. ROBINSON of Arkansas presented memorials of sundry citizens of Hot Springs, Little Rock, Forrest City, Marianna, Fort Smith, Brinkley, Fayetteville, and Rogers, all in the State of Arkansas, remonstrating against the passage of the so-called Brookhart bill, relative to the distribution of motion pictures in the various motion-picture zones of the country, which were referred to the Committee on Interstate Commerce.

Mr. COPELAND presented a telegram in the nature of a petition from Ida K. Reid, of Rome, N. Y., representing 1,600 central New York women organized in round table, praying for the making of adequate naval appropriations for the national defense, which was referred to the Committee on Naval Affairs.

He also presented a memorial of members of the Emmanuel Baptist Church, of Batavia, N. Y., remonstrating against the adoption of the proposed enlarged naval building program, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the East Greenbush (N. Y.) Grange, in favor of no reduction in taxes this year and the application of the surplus on the public debt, which was referred to the Committee on Finance.

He also presented a resolution adopted by the East Greenbush (N. Y.) Grange, opposing any relaxation of immigration restrictions and favoring the prompt passage of legislation further restricting immigration from countries south of the Rio Grande River, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the board of directors of the New York State Federation of Women's Clubs, favoring the passage of the so-called McNary-Woodruff bill, providing for appropriations to be expended over a period of years for conserving the navigability of navigable rivers, etc., which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of members of the faculty and student body, of Colgate University, Hamilton, N. Y., favoring adoption of the so-called Capper resolution for the negotiation of treaties renouncing war as an instrument of public policy, and also the so-called Borah resolution for the formal outlawry of war, which were referred to the Committee on Foreign Relations.

He also presented memorials numerously signed by sundry citizens of New York City and Brooklyn, N. Y., remonstrating against the passage of the so-called Brookhart bill, relative to the distribution of motion pictures in the various moving-picture zones of the country, which were referred to the Committee on Interstate Commerce.

REIMBURSEMENT TO THE STATE OF NEVADA

Mr. ODDIE. On yesterday a joint resolution of the Legislature of the State of Nevada memorializing Congress relative to reimbursement by the Government of the United States for moneys paid by the State of Nevada for military purposes, was referred to the Committee on Claims. I move that it be withdrawn from the Committee on Claims and rereferred to the Committee on the Judiciary.

The motion was agreed to.

REPORTS OF COMMITTEES

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5898) to authorize certain officers of the United States Navy and Marine Corps to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered, reported it with amendments and submitted a report (No. 307) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 2707) to provide for the classification of all unallotted land of the Klamath Indian Reservation and to reserve for forest-production purposes all land primarily adapted to the production of crops of timber, reported it without amendment and submitted a report (No. 308) thereon.

Mr. STECK, from the Committee on Pensions, to which was referred the bill (S. 2998) granting double pension in all cases where an officer or enlisted man of the Navy or Marine Corps dies or is disabled as the result of a submarine accident, reported it without amendment and submitted a report (No. 309) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3194) to establish the Bear River migratory-bird refuge, reported it without amendment and submitted a report (No. 310) thereon.

Mr. MOSES, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 7020) to amend section 5 of the act of March 2, 1895, reported it without amendment.

He also, from the same committee, to which was referred the bill (S. 1666) to grant authority to the Postmaster General to enter into contracts for the transportation of mails by air to foreign countries and insular possessions of the United States for periods of not more than 10 years, and to pay for such service from the appropriation of foreign mails at fixed rates per pound or per mile, and for other purposes, reported it without amendment and submitted a report (No. 311) thereon.

Mr. COUZENS, from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 105) to investigate conditions in the coal fields of Pennsylvania, West Virginia, and Ohio, reported it with amendments and moved that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which was agreed to.

COTTON PRICES

Mr. DENEEN. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably with an amendment Senate Resolution 142, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 142) submitted by Mr. SMITH February 8, 1928, was read, as follows:

Whereas the 1927 cotton crop is more than 4,000,000 bales less than the production of cotton in 1926; and

Whereas the consumption of American cotton is greater than ever before in the history of the cotton industry; and

Whereas the price of cotton has steadily declined from the time that it was ascertained that the crop would be extremely short; and

Whereas the Bureau of Agricultural Economics of the Department of Agriculture stated in a bulletin issued by it that in spite of the short crop cotton prices would decline; and

Whereas from the date of issuance of such statement cotton prices have steadily declined; and

Whereas numerous petitions and memorials have come from different sources alleging manipulation of the cotton market: Therefore be it

Resolved, That the Committee on Agriculture and Forestry or a duly authorized subcommittee thereof is hereby authorized and directed (1) to make a full and complete investigation of the activities of the cotton exchanges, cotton merchants, bankers, millmen, and the Department of Agriculture, with a view to determining whether there has been any manipulation of the market or any undue influence thereupon in connection with the issuance or publication of cotton reports or the decline in the price of cotton, and (2) to report thereon to the Senate as soon as practicable, with such recommendations for necessary legislation as it deems advisable. For the purposes of this resolution, such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places, to employ such experts and clerical, stenographic, and other assistance, to require by subpœna or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of such stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee or subcommittee, which shall not be in excess of $25,000, shall be paid from the contingent fund of the Senate.

Mr. FRAZIER. I understand that the resolution proposes an investigation by the Committee on Agriculture and Forestry.

Mr. SMITH. It does. The resolution was submitted by me a few days ago. It has just been favorably reported, and I hope we may have immediate action upon it.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The amendment of the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 3, line 3, after the words "excess of," to strike out "$25,000" and to insert "$5,000," so as to read:

The expenses of such committee or subcommittee, which shall not be in excess of $5,000, shall be paid from the contingent fund of the Senate.

The amendment was agreed to.

The resolution as amended was agreed to.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 3208) for the relief of G. J. Bell; to the Committee on Claims.

A bill (S. 3209) granting a pension to Ethel Hay Norton; to the Committee on Pensions.

By Mr. BRUCE:

A bill (S. 3210) providing for the men who served with the American Expeditionary Forces in Europe as engineer field clerks the status of Army field clerk and field clerk, Quartermaster Corps, of the United States Army, when honorably discharged; to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 3211) for the relief of F. Stanley Millichamp; to the Committee on Indian Affairs.

A bill (S. 3212) to amend section 4404 of the Revised Statutes of the United States, as amended by the act approved July 2, 1918, placing the supervising inspectors of the Steamboat Inspection Service under the classified civil service; to the Committee on Commerce.

By Mr. THOMAS:

A bill (S. 3213) for the relief of J. H. Baker; to the Committee on Claims.

A bill (S. 3214) to incorporate the Reserve Officers' Association of the United States; to the Committee on the Judiciary.

By Mr. SMOOT:

A bill (S. 3215) to authorize the Secretary of the Treasury to execute agreements of indemnity to the Union Trust Co., Providence, R. I., and the National Bank of Commerce, Philadelphia, Pa.; to the Committee on Finance.

By Mr. WHEELER:

A bill (S. 3216) authorizing the erection of a memorial to the Lewis and Clark expedition at Three Forks, Mont.; to the Committee on the Library.

A bill (S. 3217) to authorize the disposal of public land classified as temporarily or permanently unproductive on Federal irrigation projects; to the Committee on Irrigation and Reclamation.

By Mr. REED of Pennsylvania:

A bill (S. 3218) granting an increase of pension to Cynthia E. Van Giesen (with accompanying papers); to the Committee on Pensions.

By Mr. DENEEN:

A bill (S. 3219) for the relief of the Poston Brick Co.; to the Committee on Claims.

A bill (S. 3220) granting a pension to William I. Gustin;

A bill (S. 3221) granting a pension to Benjamin Garland; and

A bill (S. 3222) granting an increase of pension to Catherine Gardner; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 3223) to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the United States Department of Agriculture in acquiring and diffusing useful information regarding agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 3224) authorizing the adjustment of the boundaries of the Crater National Forest, in the State of Oregon, and for other purposes; and

A bill (S. 3225) to enlarge the boundaries of the Crater National Forest; to the Committee on Public Lands and Surveys.

A bill (S. 3226) granting a pension to Rachel Hanson;

A bill (S. 3227) granting a pension to Joel M. Clanton;

A bill (S. 3228) granting a pension to William Franklin DeSpain; and

A bill (S. 3229) granting a pension to James W. Allen; to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 3230) granting a pension to Sarah Hooper Robinson (with accompanying papers); and

A bill (S. 3231) granting a pension to Julia Fuller (with accompanying papers); to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 3232) granting an increase of pension to Rosa Owens; to the Committee on Pensions.

A bill (S. 3233) authorizing the issuance of duplicates of certain notes to Harry E. Good; to the Committee on Finance.

By Mr. HEFLIN:

A bill (S. 3234) granting an increase of pension to Elizabeth B. Pettus; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3235) providing additional pay for submarine duty; to the Committee on Naval Affairs.

A bill (S. 3236) granting a pension to Stephen B. Moss (with accompanying papers); to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 3237) authorizing the Plattsmouth Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Plattsmouth, Nebr.; to the Committee on Commerce.

By Mr. WILLIS:

A bill (S. 3238) granting an increase of pension to Mary M. Farwell (with accompanying papers); to the Committee on Pensions.

By Mr. DENEEN:

A bill (S. 3239) to amend the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the transportation act, and for other purposes," approved June 3, 1924; to the Committee on Commerce.

By Mr. NEELY:

A bill (S. 3240) granting an increase of pension to Mary A. Chadock; to the Committee on Pensions.

A bill (S. 3241) to amend the Federal farm loan act, as amended; to the Committee on Banking and Currency.

By Mr. COPELAND:

A bill (S. 3242) for the relief of Josephine H. Burt; to the Committee on Claims.

By Mr. BINGHAM:

A joint resolution (S. J. Res. 93) to provide for payment of the claim of the Government of China for compensation of Sun Jui-chin for injuries resulting from an assault on him by a private in the United States Marine Corps (with accompanying papers); to the Committee on Foreign Relations.

IMPROVEMENT OF THE COLORADO RIVER

Mr. PITTMAN submitted an amendment intended to be proposed by him to the bill (S. 3177) to improve the navigability of the Colorado River, to provide flood control, to aid in the reclamation of public lands of the United States, to prevent controversy between the States of the Colorado River Basin, and for other purposes, which was referred to the Committee on Irrigation and Reclamation and ordered to be printed.

AMENDMENTS TO ALIEN PROPERTY BILL

Mr. HOWELL submitted two amendments intended to be proposed by him to House bill 7201, the so-called alien property claims bill, which were ordered to lie on the table and to be printed.

Mr. McKELLAR. I submit an amendment intended to be proposed by me to House bill 7201, the so-called alien property claims bill, relative to certain Danish ships.

Section 19 of the bill as reported by the committee authorizes an award in respect of the taking by the United States of two ships belonging to German companies, which companies became, through the transfer of Schleswig-Holstein to Denmark in pursuance of the Versailles treaty, Danish companies. The section as reported requires a finding that all the German members of the company became citizens of some other country and remain non-German on the date of the passage of the bill. It is barely possible that a small portion of the interest in the company may be vested in Germans. The amendment substitutes for the limitation in the bill a requirement that no award can be made unless the company was organized under the law of Germany and became a company under the law of some other country, and that on the date of the enactment of this act at least 95 per cent of the interest in the company is owned by non-Germans.

I move that the amendment lie on the table and be printed.

The motion was agreed to.

STATISTICS RELATIVE TO UNEMPLOYMENT

Mr. WAGNER. Mr. President, I submit a resolution and ask unanimous consent that it be read and lie over under the rule.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 147), as follows:

Whereas it is essential to the intelligent conduct of private and public business enterprises, to the proper timing for the inauguration of public works by the Federal Government, and the encouragement of similar undertakings by the States, to the formulation of sound economic policy, and it is prerequisite to the provision of relief against the hardship of unemployment and to the ultimate solution of the unemployment that accurate and all-inclusive statistics of employment and unemployment be had at frequent intervals; and

Whereas it is apparent that the United States is now suffering from a decided growth of unemployment, and no nation-wide statistics of unemployment in the United States are anywhere available:

Resolved, That the Secretary of Labor is hereby directed (1) to investigate and compute the extent of unemployment in the United States and make report thereon to the Senate, and together therewith to report the methods and devices whereby the investigation and computation shall have been made; (2) to investigate the method whereby frequent periodic report of the number of unemployed in the United States and permanent statistics thereof may hereafter be had and made available, and make report thereon to the Senate.

The VICE PRESIDENT. The resolution will lie over under the rule.

CONFERENCE REPORT—CONSTRUCTION AT MILITARY POSTS

Mr. REED of Pennsylvania submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7009) to authorize appropriations for construction at military posts, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, and 6, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of "$6,792,191" insert "$6,695,691"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "and armament building, $61,000; school building, $40,000; gasoline and oil storage, $16,900; paint, oil, and dope storage, $5,000; night-flying lighting system, $15,000; improvement of landing field, $81,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the language stricken out insert: "Scott Field, Ill., gas holder, $49,500"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the language proposed by the Senate amendment insert the following: "; Fort Leavenworth, Kans., one hangar, $40,000; field warehouse and shop, $45,000; headquarters building, $20,000; gasoline and oil storage, $5,000; night-flying lighting system, $10,000; Walter Reed General Hospital, in the District of Columbia, for the construction of a three-story ward building, for conversion of the fourth story of the present administration building of said hospital into an operating suite, including the construction of the necessary corridors, roads, walks, grading utilities, and appurtenances thereto, $310,000; the United States Military Academy, West Point, N. Y., for the purpose of razing the old cadet mess hall, and of preparing the plans and specifications and of excavating the ground and otherwise preparing the site for the construction of a new cadet barracks at the United States Military Academy (the total cost of which is not to exceed $825,000), $185,000: *Provided*, That the Superintendent of the United States Military Academy, West Point, N. Y., with the approval of the Secretary of War, is authorized to employ architects to draw the necessary plans and specifications from funds herein authorized, when appropriated; Fort Benjamin Harrison, barracks and motion-picture theater, $400,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the language proposed by the Senate amendment insert the following:

"There is hereby authorized to be constructed from current funds in possession of the Secretary of War, 96 sets of bachelor officers' quarters at Schofield Barracks, Hawaii, $108,000; an addition to ward building (hospital), Fort Sill, Okla., $30,000."

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the language proposed by the Senate amendment insert the following:

"The act entitled 'An act to authorize appropriations for construction at military posts, and for other purposes,' approved March 3, 1927, is hereby amended so as to strike out the authorization therein for $500,000 for barracks at Fort Benning, Ga., and to substitute therefor the following: 'For Fort Benning, Ga., barracks, $300,000; to complete the hospital, $135,000; to construct nurses' quarters, $65,000.'"

And the Senate agree to the same.

DAVID A. REED,
FRANK L. GREENE,
DUNCAN U. FLETCHER,
Managers on the part of the Senate.
JOHN M. MORIN,
W. FRANK JAMES,
JOHN J. McSWAIN,
Managers on the part of the House.

The report was agreed to.

EMPLOYMENT OF AMERICAN MERCHANT VESSELS

Mr. JONES. Mr. President, I have here the quarterly report of the Shipping Board on the employment of merchant vessels of the United States. It contains some very valuable information, in view of the legislation now pending, and I ask that it may be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UNITED STATES SHIPPING BOARD,
BUREAU OF RESEARCH, DIVISION OF STATISTICS,
January 1, 1928.

QUARTERLY REPORT ON THE EMPLOYMENT OF AMERICAN MERCHANT VESSELS OF 1,000 GROSS TONS AND OVER JANUARY 1, 1928
(Does not include lake or river tonnage)

INTRODUCTORY

This report is compiled from the latest available information as to the employment or status of American-owned steam and motor merchant vessels of 1,000 gross tons and over engaged in or assigned to ocean trade.

Table I summarizes the status and employment of privately owned and Government-owned American passenger, general cargo, and tanker vessels which were engaged in foreign and coastwise trades or were laid up and out of active service on date of report.

Table II includes ships in passenger service and gives further detail as to ownership and trade segregations.

Tables III and IV make similar segregations of general cargo and tanker vessels, respectively.

Table V shows location of laid-up vessels.

Vessels operating in two or more trade services are assigned to the service in which the largest portion of operation was performed during the three months' period preceding the date of this report; i. e., coastwise vessels touching Canadian ports and intercoastal vessels touching Caribbean or Hawaiian ports, are included with coastwise and intercoastal vessels, respectively. Record of vessels sold by the Shipping Board to private owners for operation or for scrapping has been revised upon the basis of actual physical delivery, the tonnage delivered for scrapping being eliminated entirely from the record. Shipping Board vessels under bare-boat charter or assigned to managing operators for spot service have been included as Government-owned tonnage engaged in the services to which they are assigned.

TABLE I.—*Summary of the employment of American steam and motor merchant vessels of 1,000 gross tons and over January 1, 1928*

[Does not include lake or river tonnage]

Services	Passenger and combination		General cargo		Tankers		Total	
	Number	Gross tons	Number	Gross tons	Number	Gross tons	Number	Gross tons
Privately owned:								
West Indies and Caribbean	34	152,042	58	168,032	68	402,926	160	723,000
Overseas foreign	29	325,605	106	579,915	51	338,870	186	1,244,390
Coastwise	91	444,251	412	1,678,817	221	1,443,636	724	3,566,704
Laid-up vessels	30	154,245	122	346,284	11	43,267	163	543,796
Total privately owned	184	1,076,143	698	2,773,048	351	2,228,699	1,233	6,077,890
Government owned:								
West Indies and Caribbean	[1]2	19,244			1	7,311	3	26,555
Overseas foreign	10	166,542	[2]292	1,683,266	1	7,045	303	1,856,853
Coastwise					2	13,589	2	13,589
Government service			1	4,963			1	4,963
Laid-up vessels	3	58,877	[2]476	2,334,328	7	41,548	486	2,434,753
Total Government owned	15	244,663	769	4,022,557	11	69,493	795	4,336,713
Total American merchant fleet	199	1,320,806	1,467	6,795,605	362	2,298,192	2,028	10,414,603

[1] Panama R. R. vessels.

[2] Includes 2 Panama R. R. vessels.

TABLE II.—*Passenger service*

Services	Private ownership		Government ownership				Total fleet	
			U. S. Shipping Board		Panama R. R.			
	Number	Gross tons	Number	Gross tons	Number	Gross tons	Number	Gross tons
West Indies and Caribbean	34	152,042			2	19,244	36	171,286
Overseas foreign—South America:								
East coast	4	54,948					4	54,948
West coast	4	19,578					4	19,578
Trans-Atlantic:								
Atlantic Europe and United Kingdom	1	17,281	10	166,542			11	183,823
Mediterranean								
Trans-Pacific:								
Orient and Far East	9	127,286					9	127,286
Australia	3	18,637					3	18,637
Around the world	8	87,875					8	87,875
Total foreign	63	477,647	10	166,542	2	19,244	75	663,433
Coastwise:								
Atlantic and Gulf	39	177,045					39	177,045
Pacific	27	87,258					27	87,258
Intercoastal	7	66,814					7	66,814
Hawaii	11	81,917					11	81,917
Porto Rico	7	31,217					7	31,217
Total, coastwise	91	444,251					91	444,251
Laid-up vessels	30	154,245	3	58,877			33	213,122
Total passenger	184	1,076,143	13	225,419	2	19,244	199	1,320,806

NOTE.—Privately owned vessels touching Canadian ports, 1 in Atlantic coastwise trade. 6 in intercoastal trade touch West Indies ports. 2 vessels in Pacific coast trade in Alaska service.

TABLE III.—*General cargo service*

Services	Private ownership		Government ownership				Total fleet	
			U. S. Shipping Board		Panama R. R.			
	Number	Gross tons	Number	Gross tons	Number	Gross tons	Number	Gross tons
West Indies and Caribbean	58	168,032					58	168,032
Overseas foreign, South America:								
East coast	15	79,668	26	140,560			41	220,228
West coast	23	135,738			2	5,201	25	140,939
Transatlantic:								
Atlantic Europe and United Kingdom	8	42,092	154	875,302			162	917,394
Baltic Europe	6	29,631	1	5,114			7	34,745
Mediterranean	20	102,354	20	107,610			40	209,964
India via Suez	2	11,372	5	31,407			7	42,779
East and South Africa	6	33,706					6	33,706
West Africa			13	71,739			13	71,739
Trans-Pacific:								
Orient and Far East	10	60,204	49	316,846			59	377,050
Australia	4	18,622	20	115,913			24	134,535
Around the world	12	66,528	2	13,574			14	80,102
Total foreign	164	747,947	290	1,678,065	2	5,201	456	2,431,213
Coastwise:								
Atlantic and Gulf	143	487,956					143	487,956
Pacific	81	175,644					81	175,644
Intercoastal	159	904,506					159	904,506
Hawaii	10	53,310					10	53,310
Porto Rico	19	57,401					19	57,401
Total coastwise	412	1,678,817					412	1,678,817
Government service			[1] 1	4,963			1	4,963
Laid-up vessels	122	346,284	474	2,312,337	2	21,991	598	2,680,612
Total general cargo	698	2,773,048	765	3,995,365	4	27,192	1,467	6,795,605

[1] Loaned to War Department.

NOTE.—Privately owned vessels touching Canadian ports: 6 in overseas foreign service and 18 in coastwise service.

TABLE IV.—*Tanker service*

Services	Private ownership		Government ownership		Total fleet	
			U. S. Shipping Board			
	Number	Gross tons	Number	Gross tons	Number	Gross tons
West Indies and Caribbean	68	402,926	1	7,311	69	410,237
Overseas foreign—South America:						
East coast	4	37,230			4	37,230
West coast	9	63,466			9	63,466
Trans-Atlantic:						
Atlantic Europe and United Kingdom	25	155,523			25	155,523
Baltic Europe						
Mediterranean	1	4,469			1	4,469
India via Suez						
East and South Africa	2	11,888				11,888

TABLE IV.—*Tanker service*—Continued

Services	Private ownership		Government ownership: U. S. Shipping Board		Total fleet	
	Number	Gross tons	Number	Gross tons	Number	Gross tons
Trans-Pacific:						
Orient and Far East	4	29,378	1	7,045	5	36,423
Australia	3	21,165			3	21,165
Around the world						
Foreign trading, foreign	3	15,751			3	15,751
Total foreign	119	741,796	2	14,356	121	756,152
Coastwise:						
Atlantic and Gulf	132	878,249	1	6,295	133	884,544
Pacific	37	197,277	1	7,294	38	204,571
Intercoastal	46	335,666			46	335,666
Hawaii	5	27,414			5	27,414
Porto Rico	1	5,030			1	5,030
Total coastwise	221	1,443,636	2	13,589	223	1,457,225
Laid-up tankers	11	43,267	7	41,548	18	84,815
Total tankers	351	2,228,699	11	69,493	362	2,298,192

NOTE.—Two privately owned tankers touched Canadian ports.

TABLE V.—*Laid-up vessels*

Ports	Private ownership: Passengers		Private ownership: General cargo		Private ownership: Tankers		Government ownership: Passengers		Government ownership: General cargo		Government ownership: Tankers		Total	
	Number	Gross tons	Number	Gross tons	Number	Gross tons	Number	Gross tons	Number	Gross tons	Number	Gross tons	Number	Gross tons
Astoria			1	1,838									1	1,838
Baltimore	1	8,170	8	24,097									9	32,267
Bellingham			2	3,547									2	3,547
Boston	4	18,847	6	17,526									10	36,373
Charleston									2	13,514			2	13,514
Chester, Pa					1	1,257							1	1,257
Everett	1	1,203	1	2,542									2	3,745
Fall River					1	1,696							1	1,696
Freeport					1	4,487							1	4,487
Galveston					1	4,943							1	4,943
Gatun Lake									[1] 2	21,991			2	21,991
Guanica			1	2,086									1	2,086
Houston					1	3,518							1	3,518
Jacksonville			1	1,101									1	1,101
Mobile			4	13,114	1	2,773			18	100,269	4	22,678	27	138,834
New Orleans					2	9,785			20	102,357			22	112,142
New York	8	37,236	29	69,914	2	8,314			137	654,403	2	11,559	178	781,426
Newport News	2	20,677					1	21,144					3	41,821
Norfolk	1	9,699	1	2,174					219	1,033,708			221	1,045,581
Orange									13	44,703			13	44,703
Philadelphia			2	4,903					53	291,724			55	296,627
Port Arthur			1	2,498	1	6,494							2	8,992
Port Newark			19	63,783									19	63,783
Portland, Me			2	3,132									2	3,132
Portland, Oreg			2	8,393									2	8,393
Providence			1	3,626									1	3,626
San Francisco	3	22,009	22	73,133					8	48,652	1	7,311	34	151,105
San Pedro	1	1,057	5	12,343									6	13,400
Savannah	1	3,648	1	2,674									2	6,322
Seattle	8	31,699	13	33,860					4	23,007			25	88,566
Solomons Island							2	37,733					2	37,733
Total	30	154,245	122	346,284	11	43,267	3	58,877	476	2,344,328	7	41,548	649	2,978,549

[1] Panama R. R. vessels.

HOW TO MAKE FRIENDS IN LATIN AMERICA

Mr. DILL. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from The State, a newspaper in Columbia, S. C., entitled "How to make friends in Latin America," which I ask may be published in the Appendix. I am informed that the editor of this newspaper, Mr. N. G. Gonzales, is a man of American lineage of several generations, and that The State is one of the most important newspapers in South Carolina.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The State, of Columbia, S. C., Sunday, February 12, 1928]

HOW TO MAKE FRIENDS IN LATIN AMERICA

On numbers of occasions The State, having very direct inside information on the subject, has directed attention to the fact that in their conduct of business in foreign countries, but more especially in Latin America, the citizens of the United States expect and demand much more from their Government than do nationals of any other country doing business abroad; that our Government takes cognizance of complaints that nationals of Britain or Germany would not think of making, and that while in most of these cases our Government has no idea of pushing its intervention to a serious point, it does bring its influence to bear when it should not be employed and when it offends the dignity of the little country. There are two inevitable results: The Governments of those small countries have their backs up when we come around and the traders there trade with us only when they can get what they want nowhere else.

Now, comes Senator BLAINE, of Wisconsin, progressive Republican, who also has inside information and offers this concurrent resolution:

"*Resolved by the Senate (the House of Representatives concurring)*, That the policy of this country with reference to investments and the conduct of trade by American citizens in foreign countries should be grounded upon the following principles:

"1. American citizens engaged in trade or commerce in foreign countries must obey the laws of these countries.

"2. Investments made by American citizens are subject to the laws of the country wherein they are made.

"3. The Government of the United States will not assume responsibility for the fulfillment of contractual arrangements made by American citizens with foreign governments or with private citizens of foreign countries.

"4. Before American citizens can expect the Government of the United States to take any action with reference to their complaints that they have been unfairly dealt with in foreign countries, they must first have exhausted the remedies available to them in the courts of such countries.

"5. If, in the opinion of the President of the United States, decisions made by the court of last resort in any foreign country deny to American citizens the same rights accorded to nationals of other countries or violate the principles of international law, and also in the event that the legislative or executive branches of such foreign governments shall refuse to observe decisions of their courts favorable to American citizens, this country will endeavor to adjust such differences through friendly negotiations and stands ready to submit the same to arbitration.

"6. In no event will the Government of the United States have recourse to arms or resort to force in any manner to gain or preserve for American citizens rights and privileges in any foreign country beyond those enjoyed by the native citizens of such country.

"7. For the security of the Government of the United States, and to promote peace, the interests of the governments in this hemisphere are mutual. We owe it, therefore, to candor and to the amicable relations existing between the United States and the governments of the world to declare that we should consider any attempt on their part to extend privileges and engage in conduct not permitted to the Government of the United States or its citizens under the foregoing declarations as dangerous to our peace and safety. We could not view any attempt on the part of a foreign government to encroach upon the rights of small nations and the equality of nations guaranteed to the countries of this hemisphere in any other light than as the manifestation of an unfriendly disposition toward the United States."

Adopt that as this Government's policy—and apply it faithfully—and it would do more in five years to bring about real friendliness, where now exists nothing but lip friendliness, between "El Colossus del Norte" and more than a dozen Latin-American countries, than all the speech making by Presidents and Secretaries of State and former Secretaries of State could possibly accomplish in a lifetime.

There is nothing unusual or radical in Mr. BLAINE'S resolution. The Department of State would probably say it is practically identical with "our long-established policy." So it is, but the Department of State seldom dares to resist the call, backed by this or that business influence and this or that influential politician, to "use its good offices," in cases in which it has no business to meddle at all. Then it gets "hooked," and goes further and further, sometimes reaching the stage of threatening language. To the same class of calls to which Washington responds, London answers: "We are running our business; our business is not to run your business. Stand on your own feet."

If fortified with a definite expression from Congress such as Senator BLAINE proposes, the Department of State might develop the courage to resist pressure that should not be applied.

WATERS BETWEEN MINNESOTA AND ONTARIO

Mr. SCHALL. I ask unanimous consent to have printed in the RECORD an article written by myself relative to the development of power in the international boundary waters between Minnesota and Ontario.

The VICE PRESIDENT. Without objection, leave is granted. The article is as follows:

THE DE-CREATOR—E. W. BACKUS AND HIS WATER-POWER PROJECT—CONCERNING THE BURNING QUESTION OF THE THREATENED RUINATION OF THE SUPERIOR-QUETICO REGION BETWEEN MINNESOTA AND ONTARIO

By Senator THOMAS D. SCHALL

(United States Senator THOMAS D. SCHALL is a man of the most sterling character and highest integrity, and an exponent of spiritual idealism in statesmanship. His intimate knowledge of the Superior-Quetico situation, as revealed in this article, is a warning to all conservationists and lovers of the forest to guard their heritage. Editor Out Door America.)

Northern Minnesota has a reserve, known as Superior National Forest. Adjoining it, Ontario has a similar area, the Quetico Forest Reserve, 160 by 125 miles of primitive forest, extensive as Massachusetts, Rhode Island, and Connecticut combined. The last stand of the forest primeval, a priceless heritage;

"Where murmuring pines and hemlocks,
Stand like harpers of eld."

Still through the 20,000 square miles of forest roam moose, fox, wolves, deer, bear, muskrat, beaver, wild life in its original free, happy state; the waters are full of fish; game of all sorts finds sanctuary.

Without doubt, if left alone, the two Governments will follow out the desire of the Izaak Walton League of America, and similar organizations, and make of this a playground for the continent, under supervision of the two Governments. If kept so, it would permit a glimpse of the North—

"Where the trees together stand
Closer than the blades of wheat,
When the summer is complete."

And furnish a development to the soul of man, bring to him the vision of this great thing from which we have come, the environment that made our hardy pioneers firm in backbone and strenuous in thew and sinew. And you can reach it in a night's ride from Chicago.

Lovers of hills, dales, woods, lakes, rocks, dells, trout-filled streams, rivers, rapids, and waterfalls, come from all over the United States by the thousands. This national-forest area belongs, not to any specific individual, for exploitation, but was set aside by President Roosevelt for the youth of the Nation. As time goes on, and the frontier passes away, it will be of increasing value; a Backus and a Roosevelt are ever antipathetic; spirit in conflict with material. If the lone wolf of the Northwest has his way, the border lakes from Rainy Lake to Pigeon River, will be turned into a series of great storage ponds, by dams erected at Government expense for the benefit of the Backus-Brooks paper, pulp, lumber, and power industries.

This jewel spot is in grave danger of exploitation. It has become a question of burning national as well as local interest. I said, four years ago, in the House of Representatives, "They [Backus-Brooks Co.] have for years, regardless of anyone's rights, been pursuing a ruthless course in the construction of water-power dams. They are vitally interested in the international boundary waters treaty between Canada and the United States." For four years, I have felt alone, a voice crying in the wilderness. It is good to hear the echoes coming back, and feel the ever-growing numbers awakening to this menace.

The enunciation of the destructive plan afoot stirred rumbles of protest and indignant letters to the International Joint Commission. The secretary, technically truthful, replied, "There is pending before the International Joint Commission no application for the granting of water-power rights in the boundary waters." However, E. W. Backus had made application to the Minister of Lands and Forests, Toronto, for the right to construct many dams and control the level of waters all along this northern country.

The International Joint Commission sent a questionnaire to a large number of people, E. W. Backus among them. A hearing was held at International Falls, September, 1925. The report of the hearings is published as a Government document and can be secured by writing the International Joint Commission, Washington, D. C. Testimony indisputably shows that raising the water level will turn this whole region into a dreary, tree-rotted devastation. It will ruin this recreational asset, the last of the wilderness areas east of the Rockies. When man tampers with nature, it is never with improving fingers. His changes are a menace to fish and plant and animal and human life.

State lands and settlers' lands alike have already suffered irreparable injuries from Backus's existing Rainy Lake Dams. Warroad has been flooded. Three more feet raise would drown out Fort Frances, Ontario. And what would 5 to 30 feet raise mean, which is Backus's proposition? Existing spawning beds have been eliminated and great damage caused by constant variations in the water level. When the level is high in the fall, the ice forms, later the water beneath is drained away. In the spring shoals of dead fish are found, and great numbers of dead muskrats and beavers who can not accommodate their way of life nor endure the rapid artificial change, resultant on a storage system. Any considerable raise would utterly destroy the numerous beautiful islands. Some of the dead trees when cut through had 95 annular rings, showing that not in a hundred years had such floods occurred. The mass of standing dead timber will create in the periodic low level great fire hazard, surely grim enough now in the memory of all those northern settlers.

Millions of dollars' worth of damage suits have been brought against Backus. But relief for him has come through his long-sought treaty between the United States and Canada, generally known as the Lake of the Woods treaty, which gives the authority to raise these water levels and divides the damages to property for such raise between the United States and Canada. But because governments can't be sued, can't be pushed, can't be hurried, anything like actual damages have gone to the winds for this whole country that has been and will be overflowed. People damaged may possibly get a small percentage. As to future damages, no one can tell where they will lead and all for what? To raise the water power on the United States side a few per cent; the remaining per cent will develop in Canada, where they have already more power than they can possibly use.

It gives us pause to consider the colossal selfishness that would lay barren God's work, the wilderness. The harm once done is done forever. Once Midas has transmuted the lovely vivid life of pine forest, stream, and flashing lake into stiff and ugly gold, not all our prayers can change it back again.

And what's the good of it? Who wants this power? Nobody but the lumber, pulp, and paper magnate. There isn't population to require heavy power. There are only four towns in all this vast region. Tourist traffic is bringing each year more and more millions of dollars into the State, offsetting many times the potential water-power possibilities.

To the eye of the materialist, conservation means saving from waste, the squeezing of the ultimate penny. To him, a river is just so much water power and nothing more. If it flows on its way, he looks upon the water that is gone as so much material loss, possible profits wasted. The gold side of the medal is the only one. To the silver things of the

spirit, he is forever unseeing. He has no conception what the wilderness means to the canoeist, joyously roughing it, keenly welcoming the difficulties, thrilled at the tussle with rocks and foaming rapids, fed with beauty of falls, and finding zest in the troubles of packing kit around, doing for himself and building health and strength through overcoming the pioneer problems.

The great danger of the age is that material development is far outstripping the spiritual, lack of balanced development is suicidal. Let us keep this quiet solitude, with its healing to the soul, its vision of beauty, untampered.

In every true American's heart is the zest of the wilds that has come down through his ancestors. Here's the chance to take his tired nerves, frayed by his struggle with materialism, and repair them in the balm of solitude and communion with nature, and his God.

In his opening statement before the International Joint Commission hearings, Backus finds food for great mirth at the warning that all this is to be put in jeopardy. Complaining he works 18 hours a day, he says that he'd like to vacation too, but he can't see anything in the canoeist's way. He honestly thinks that if he does away with falls and rapids and lakes too, in some cases, to make a smooth artificial thing, where canoes can go along as he says without all that bother, he will be a benefactor. He'd like to "joy ride" that way, though he'd like a fast motor boat better. It would save all the time as well as the bother.

He says the trees that fringe the lake front are "no good." The pine-crested islands, which would be submerged are "no good." And the pasture and meadowland, that's "no good." Asked about the remaining timber, much of which is over 2 feet through, he said, "Oh, we've got all the timber of any value. What's left should be saved." Saved! He means cut down. If any lone brave giant has escaped the all-destroying ax, let's go and save him! The only saving, to this man with the blind spot is to save for himself the money value—dollars and cents. And it is a real opinion, he announces openly and unblushingly.

He also says that his proposed change would only mean a new shore line just like the old one when the timber and brush is down and cut away. Now, when would that be? Who is going to do it? The dying, dead, and rotting timber would stand many years before nature could heal the scars; and the beaches of slow sand accretions, they'd never build again. Thousands and thousands of years have gone to their making. They can't be duplicated. With titanic disregard this man views the chaos he proposes. Like a negative-destroying decreator he talks blandly of "pulling" lakes, diverting channels, blotting out contours. With complete confidence in his unbrooked power over the commission, Senators, Congressmen, governors, attorneys general, State auditors, fish commissioners, presidential influence, etc., he says, "Make no doubt about it, it's going to be done."

It doesn't seem to me the International Joint Commission could possibly bring themselves in the interest of one man to make commitments at the expense of the entire people of the United States. If the truth could be understood, feeling would become intense over the whole country.

The youth of our land should have consideration over an elderly, hundred times millionaire, who, from his own statement, never had any playtime and in whom the dire necessity of boyhood developed naturally into a fanatical grubbing for money. With money came power. With more money came more power until a power mania has enveloped him and become his god. The desire is there to do the thing as he conceives it, and the more opposition to that desire the more it whets his unconquerable spirit.

The ways of this great overlord are devious, and things are done past belief; things that vision or foresight could not indicate. Don't underestimate him. He is a Napoleon in brains and matchless in boldness. And no one can look upon his vast accomplishments without feeling an awe and appreciation for the gigantic force he is. A mastery, a lone courage, a dash, a go-ahead spirit, a mental conception, a bulldog stick-to-it-iveness that disregards all obstacles, demands the admiration of any just man who has the slightest conception of the enduring strength it takes to wrest from an unwilling world the success this dictator Backus has made a part of himself. He takes no one into his real confidence as to what is the gigantic purpose behind this colossal undertaking. His wits are keen; he is a most remarkable and dangerous man. He juggles facts to utterly bewilder the simple. In his progress from poor boy to multimillionaire he has become so intrenched in the belief in his own power that he regards this permission he seeks as already granted and the wilderness his property to do with as he wills.

The casual onlooker may think Backus is not in politics. On the contrary, he is seeking with colossal assumption to have the Government pay the expense of building the dams and all the damage of the overflow. Later he proposes, as his demand for power increases, to use these dams, and when he does use them he magnanimously consents to pay back to the Government one-half the construction cost. That's politics, and politics alone. He needs the good will of Government officials everywhere. The whole foundation of his fortune was based on the development and utilization of natural resources. It has been imperative as his basis of political operation to control Minnesota politics, and in this international scheme which he has no doubt been unfolding in his mind for many years he has formed a similar sphere of influence in the Province of Ontario, where he has immense timber and water-power holdings, recently acquired through his powerful political fist. He contributes heavily to the campaign fund of all parties that he may have a foot in every camp.

He alone contributed $150,000 in 1924 to put over the Mussolini idea in Minnesota and under the fictitious slogan of economy, though tax checks have been higher and higher and will be still higher put into the hands of the governor unconstitutional dictatorial power. He was the means of raising for this same State gubernatorial campaign $150,000 more from other kindred souls, perhaps some of the 10,000 big business men of Minnesota, who, Backus testified in the Minnesota State Senate hearings, would go further than he to defeat me. It has been vital for him to keep his eye on public officials that they do not hinder him. Of course, he is in politics. His idea of politics is to have acquiescence. If his project is to be defeated, the only defense of those opposing him is politics. Backus's kind is never licked. Public officials he either makes march or he breaks, if he can. Backus got his treaty over, he got his dams, he gets everything he wants. He wanted a survey of this project at Government expense. No one else wanted it. He got it. Where does he get this power? He keeps his partner, William Brooks, in active politics in the State senate, and as Republican national committeeman, while he manipulates from the side lines. Why did Republican Backus want Farmer Labor Senator Magnus Johnson on this International Joint Commission? Why did he go to the President for Magnus? Why did he have his partner, William Brooks, the Republican national committeeman, write to the President to ask that Farmer Labor Magnus be appointed? Because he knew this very question was to come up. He testified at the Minnesota State Senate hearings, as follows:

"Mr. BACKUS. Senator Johnson asked me if he would be obliged to look for opposition from me in this matter. While I told him frankly I did not think I would have very much to say about the matter, but the way he had handled himself in assisting in putting through this Lake of the Woods treaty, getting that cleaned up, I would not oppose his application; in fact would even go to the President and ask him to give it to him.

"So I went to the President and suggested it might be a good political move, as long as it was a nonpolitical appointment, to give it to Senator Johnson.

"Q. He was not appointed?—A. No, I am sorry to say; not appointed, because it would have been a God's blessing to Senator SCHALL if it had been made.

"Senator SCHALL. If I had agreed to that appointment there would never have been a contest, would there, Mr. Backus?

"Mr. BACKUS. No; I do not believe there would, Senator.

"By TOM DAVIS:

"Q. In my understanding of your business interests in the northern part of the State, your companies would have considerable to do with the joint commission in fixing of water levels?—A. More or less; yes.

"Q. And that decision of the commission would affect either favorably or adversely your interests in that locality?—A. Yes; to a greater or lesser extent.

"Q. And by your interests, I mean your financial interests. You understand that?—A. I do.

"Q. Magnus called how many times would you say in January, February, and March this year? Called at your office and had talks with you?—A. I could not say, but three or four, maybe three or four, maybe four or five."

Those interested in defeating this project should write their Congressmen and Senators. But it is especially imperative that Minnesotans and Ontarians write their prospective candidates, Senators, Congressmen, governors, auditors, attorneys general, game and fish commissioners, etc., and have them go on record as to where they stand and get assurance of their active cooperation against this plan. No straddling should be accepted. To succeed, he must have the officials of this State and Province at least not aggressively opposed to his project.

He makes the road so hard to those that oppose him that it's a warning of destruction to any that might look to follow. What chance has an individual who dares stick his nose into what Backus considers his business? Public men naturally hesitate before opposing his invulnerable power, wielded through his tremendous political machine.

I am loath to refer to what might seem to be a personal matter; but if the people are to understand, it's illuminating as an example; for the fight on me is not private, but public, and therefore of general interest to the individual because of the great office the people elected me to, and the influence that goes with it.

Besides opposing his pet project, I was the means of helping him pay $3,000,000 and over back taxes. Because of my stand, I incurred his enmity. I have had nothing but misery and sorrow since. Four years ago I put myself clearly on record, as shown by my remarks in Congress on May 19, 1924, which were, in part:

"It is the scheme of the old selfish political plunder gang, headed by Backus, with his hands in almost every business of the State, holding

in contempt assessors, county commissioners, State tax commissions, income-tax officers, with a well-known trend of ruthlessness in their operations well greased with their millions of ill-gotten gain, filched from the Commonwealth, against a humble, blind representative of the people.

"I would fail in respect to myself and to my people and to my God if I shirked this disagreeable but imperative duty of exposing the long, grisly fingers that are reaching in to control national politics.

"The Backus crowd not only hold a strangling grip upon Minnesota's financial resources but their ramifications extend into Canada, and are therefore international. A few years since, as a short cut to control of the Ontario government, they put over the Farmer-Labor ticket for the purpose of securing great concessions in timber and water power. They have not been negligent in seeking to grab control of such a movement in Minnesota. They are vitally interested in the international boundary waters treaty between Canada and the United States. They have for years, regardless of anyone's rights, been pursuing a ruthless course in the construction of water-power dams.

"Then, too, there is a little matter of several millions of dollars of income taxes due to the Government of the United States, which Backus is vitally interested in escaping. I have introduced House Resolution 301 to investigate this tax steal, and in case I am the Republican candidate for the United States Senate I want it understood that I am in no way connected with this boodling, reactionary gang; and if I am elected to the United States Senate I shall be as free as I have been during my 10 years' service in the House. No clique, gang, corporation, organization, or person has a 5-cent piece invested in the office I hold.

"Bill Brooks is now on his way to be Republican national committeeman of the State of Minnesota, and unless public opinion stops him he will be so elected at the Cleveland convention. Why is he so anxious to be national committeeman? Because if things go as this old reactionary gang has planned then he will practically be the United States Senator, for the Farmer-Labor candidate will be without the pale of the Republican administration and can 'but peep to what he would,' and the national patronage of the State, together with other tremendous influences, will be solely within the hands of the national committeeman. This is a condition that would exactly suit these selfish interests. And this is the condition for which they have set the political stage in Minnesota."

Backus never looked upon me as the right sort of timber in all my public service, and on record as I am, I am an obstacle to the plans for gaining control of this water power. I should be made an example of, a glaring warning. If I am destroyed, I will be a citation of ruin to the recalcitrant. But if I am left "standing" after what I have done and said, it will be a bad precedent; in the position I hold, very dangerous, for I might any time see fit to make further observations. So he wants to "save" me by cutting me down in 1930, since there have been three failures to unseat me otherwise. The political chessboard in Minnesota is now being adroitly arranged to that end. And the man chosen to accomplish that feat has, because of his economy complex, already passed over his chance in 1928 and announced his candidacy for my place in the United States Senate in 1930.

Here is some testimony under oath by Mr. Backus:

"Q. You are not on friendly terms with Senator TOM SCHALL?—A. I have not any high regard for him.

"Q. Have these taxes been paid, Mr. Backus?—A. They have.

"Q. Three million dollars?—A. Yes, sir.

"Q. That, of course, would not make you have the highest regard in the world for Mr. SCHALL, would it?—A. I think Senator SCHALL was extremely unfair and unwise. I just want to say this further, and my complaint as to the attitude of Mr. SCHALL, when he was Congressman, on the floor of Congress, in all fairness before making the statement before the body as he did, he should have sent for me and said, 'I want to talk to you about this.'

"Mr. DAVIS. Your position is, before Senator SCHALL brought this matter to Congress, nonpayment of your taxes, he should have sent for E. W. Backus and talked the matter over with him?—A. Yes.

"Mr. DAVIS. Is it not a fact that if a man other than Senator SCHALL was sitting in the Senate, a man who would send for you and talk to you, it would be much better for you because of your taxes, speaking of a cold-blooded financial situation, Mr. Backus?

"Mr. BACKUS. Well I admit it would be better to have someone there who would handle matters of this kind in a businesslike way.

"Mr. DAVIS. SCHALL seems to have handled this matter in such a businesslike way that Backus-Brooks paid $3,160,000 in taxes that the Government found was owing, and earned his salary for 350 years."

Yet despite the above, certain newspapers in my State continue to quote Backus a contributor to my campaign in 1924. I never met the man. The first time and the only time that I ever saw or heard him was while he was testifying in the Minnesota Senate Schall-Smear hearings, and I know and everybody else knows that he fought me at that election and will do so again with all the resources—and there are many—at his command.

A man did come to my office and stated that he had just come from an interview with Backus, and Backus told him that it would be worth one-half million dollars to him if I would be fair and reasonable. And if I had been thus fair and reasonable no doubt I would to-day be heralded by these same newspapers throughout the State as one of Minnesota's great men, instead of merely being the ill consequence of a primary election. No wonder Backus and his ilk want to do away with primaries and go back to the businesslike convention system, where you get what you contract for.

During my candidacy for the Republican nomination for the United States Senate almost every newspaper in the State was against me. Not because of my record. They did not attack that. I was finally nominated against the opposition of all sorts of political associations, clubs, and organizations, and immediately a contest was filed in the courts against my nomination. It was dismissed by the courts. I made my campaign alone, and without organization. Due to some mysterious power I had to fight not only the two opposition parties but most of the organization of my own party.

Despite it, I won out. I was no sooner elected than grand juries were importuned to indict me for fictitious and alleged offenses. Next a fake contest was instigated in the United States Senate for the purpose of giving carte blanche to publishing malicious lies with impunity because of the public-document status the complaint against me had acquired. This pseudo contest failed by unanimous vote of the committee and the entire Senate, without even one word of denial on my part.

The following remarks were made June 16, 1926, in the Senate, after that body, finding every allegation without foundation, had unanimously dismissed the complaint:

"During my 10 years' service in the House I tried to protect the people from the encroachments of those who had no regard for the eighth commandant—'Thou shalt not steal'—and in so doing incurred the deadly hatred of a concern of tremendous finance, beyond dispute the most powerful influence in Minnesota politics.

"This sinister influence, with its vast power distributed throughout the State, opposed me with all its strength, by fair and foul means—mostly foul—in the last election and was maniacally enraged at my victory. Then, patched together from campaign lies and whole cloth, comes this so-called contest, without even a denial that I had received a majority of the votes. It was absolutely without foundation as to any wrongdoing of mine, as the record of the hearing entirely bears out. Its purpose was to destroy my influence as Senator, to slander, belittle, and irritate, to the end that I might be forced to succumb or be so weakened in the eyes of the voters of my State that my reelection would be made impossible. The instigators of this contest knew that it was absolutely baseless, and framed it from the start as a possible trading proposition whereby they sought to enforce my indorsement of Magnus Johnson's appointment to the International Joint Commission, but when they found that no trade was possible they carried it on for advertising purposes to its farcical end; meanwhile the flaming accusations were blazoned from one end of the country to the other, for startling charges always get front-page space, while denials or the final outcome go unnoticed.

"Insidious, clever, lying propaganda was abundantly spread in the Capitol through button-holing by presentable hirelings. Carefully instigated malicious newspaper clippings were forwarded through the mail. Members of the Senate and the House and the employees of each and the departments were thus thoroughly canvassed in an effort to prejudice and destroy my prestige and good name, the so-called contest meanwhile being used as a background."

Through the influence of Backus's partner, State Senator William Brooks, Republican national committeeman, a resolution was put through the Minnesota State Senate, in March, 1927, for another "smear" investigation which after six weeks of wide-open hearing was unanimously dismissed by the committee, and the entire State senate.

During the hearings one of the prosecution's witnesses became very ill and doctors said he was liable to die. Whereupon he called in the priest, took the last sacrament, and made a confession in which he laid bare the whole conspiracy wherein he and two others had plotted to get $30,000 for their perjured testimony. This testimony was corroborated in its vital parts by Backus and his lawyer, to whom he referred this witness, after phoning him to call and see him.

This Schall hearing was forced onto the State senate despite the fact that the senate had no more jurisdiction to hold such hearing than the aldermen of the village of Podunk would have to unseat the President of the United States. But there was sagacious method in this procedure, for grave charges were flying about that there was a great shortage in the office of the State treasurer. This official had recently resigned to accept appointment by the governor as one of the big three.

An investigation of this treasury shortage was being demanded. The big three is a newly created unconstitutional implement by which the governorship of the State of Minnesota was changed into a dictatorship.

Also, there was being demanded an investigation of the action of a member of the securities commission recently appointed by the governor. After the legislature closed this member was indicted and is now on

trial in the United States courts for felony in that office. Both of these proposed investigations were clearly the duty of the State senate and within its jurisdiction. But in order to hold the attention of the people from what was their plain duty they went entirely outside their jurisdiction and set up a counterattraction for a smoke screen to hold the attention of the public until the legislature by statutory provision must adjourn, and under the eyes of State Senator Brooks, Republican national committeeman, who dishes out campaign funds and State patronage, they passed a resolution to investigate TOM SCHALL'S election, although they knew it was res adjudicata by the United States Senate. They hoped to put over a twofold fraud to smear me and at the same time cover the laches of the State administration, and again demonstrated that the private wrong to me has become inextricably entangled with the wrong done the public. My attorneys during these hearings offered testimony to show that over $300,000 had been raised to elect the governor, but four of the carefully selected inquisitorial committee of five would not allow the introduction of such evidence.

To-day some one is paying men to go about the country with a novel, in which I am supposed to be the villain, purporting to be written by a former political manager of mine. I have never had any manager, political or otherwise, in my 14 years public life, but Mrs. Schall. This novel is a tissue of falsehoods, misleading, misrepresenting, with nothing of truth in it but portions of speeches I have delivered in Congress, and those speeches twisted out of their application. These men stop at the best hotels and live on the fat of the land, and it does not matter whether they sell books or not, the proffer for sale gives an opporunity to start conversation and spread the malicious gossip. If the book is not bought, they give it to you. They have a set news review, which appears word for word, in all the Backus papers. The Washington News even fell for it. They have a man here in the Capital, staying at one of the most expensive hotels and furnished with a luxurious sedan for his convenience in getting about to influential officials of the Government. No books are being sold, but the canvass keeps up.

Backus's controlled newspapers, together with his tremendous political organization throughout Minnesota, keep constantly before the people of my State all sorts of slanderous, belittling, incriminating references to me. If anyone comes to me in behalf of a friend or relative in jail, if anyone commits a crime or a misdemeanor in Minnesota, and it can be found out that he knew or spoke to or supported me at election or at any time was employed by me, or saw or wrote me about getting a job, they link my name with his and give it front-page space, and constantly they quote that the people of my State, when they vote for me, must hold their noses.

The Friday before election in 1924, 300 men were sent out over the State with a forged Catholic bulletin in one pocket and a bogus Ku-Klux Klan paper in the other, and two lists of persons carefully picked who would be prejudiced by one or the other.

One of Backus's lieutenants not long ago was asked if Backus thought he could lick SCHALL in 1930. The lieutenant replied, "Backus thinks so, but I don't, and have told him so. But he insists that it shall be done if it costs him a million dollars. "I told him, 'It can't be done, Ed, if you spent two million.' We had pretty near all the newspapers in 1924, all political organizations; opposing him the most popular and spectacular candidate Minnesota has ever known; we lifted 40,000 votes and still we didn't get him. And he's sure stronger now than he was then, thanks to the advertisement your fool State senate hearings gave him."

The Minneapolis pettifogger who conducted the prosecution against me in the United States Senate, and who said during that proceeding that he didn't care how long it lasted as he was getting $100 a day and his expenses, is even now busy trying to secure perjured affidavits upon which to base another complaint before the United States Senate that they may thus for the third time acquire immunity and excuse to broadcast slander.

It is quite in character with this alert mind that now Backus should seize the psychological moment and declare—what up to now he has not advanced, that his plan is one of flood control. He hoists himself thus by his bootstraps. A host of Backus flood-control propaganda is let loose. Dignified magazines and newspapers publish it. There will be plenty of it from now on. The dams make the floods, not, as Mr. Backus makes haste to assure, "do away with the flood menace." So far as Minnesota is concerned, his modest acceptance of the credit for a vast flood control is knocked in the eye by the statement of O. L. Kaupanger, secretary of the Minnesota State division of the Izaak Walton League, in a newspaper interview January 17, 1928.

Mr. Kaupanger says: "The one difficulty, from the point of view of residents of the region, is to understand why flood control should be needed in a region where in its natural state floods are unknown. Not in the memory of man has the water ever remained high enough on any uncontrolled lake or river in the Rainy Lake region to affect vegetation. Since the chain of lakes have been dammed there have been disastrous floods." And if the rest of these dams are permitted and the waters impounded and the levels raised from 5 to 30 feet, no one can predict the utter destruction and widespread desolation.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts and joint resolution:

On February 3, 1928:

S. 440. An act for the relief of Charles H. Send.

On February 4, 1928:

S. 1968. An act to authorize the Secretary of Agriculture to pay for the use and occupancy by the Department of Agriculture of the Bieber Building, 1358 B Street SW., Washington, D. C., and for other purposes.

On February 6, 1928:

S. J. Res. 38. Joint resolution giving and granting consent to an amendment to the constitution of the State of New Mexico, providing a method for executing leases and other contracts for the development and production of any and all minerals on lands granted or confirmed to said State by the act of Congress approved June 20, 1910, and to the enactment of such laws and regulations as may be necessary to carry said amendment into effect if it is adopted.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 278. An act to amend section 5 of the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926;

H. R. 3926. An act for the relief of Joseph Jameson;

H. R. 6487. An act authorizing the Baton Rouge-Mississippi River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Baton Rouge, La.;

H. R. 7009. An act to authorize appropriations for construction at military posts, and for other purposes;

H. R. 7916. An act authorizing the Madison Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Madison, Jefferson County, Ind.; and

H. R. 9186. An act authorizing the Sistersville Ohio River Bridge Co., a corporation, its successors and assigns, to construct, maintain, and operate a toll bridge across the Ohio River at or near Sistersville, Tyler County, W. Va.

INVESTIGATION OF PUBLIC-UTILITY CORPORATIONS

The Senate resumed the consideration of the resolution (S. Res. 83) authorizing an investigation of public-utility corporations.

The VICE PRESIDENT. The question is on agreeing to the first amendment reported by the Committee on Interstate Commerce.

Mr. KING. May I inquire what is the pending amendment?

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 5, the committee proposes, after the word "corporations," to insert the words "doing an interstate business."

Mr. ROBINSON of Arkansas. Mr. President, does not the question recur on the amendment of the Senator from Georgia [Mr. GEORGE] to the committee amendment?

The VICE PRESIDENT. No; that is not an amendment to the committee amendment.

Mr. BRUCE. Mr. President, I have always thought that one of the most valuable functions that a legislative assembly can be called upon to perform is that of investigation. To some purposes such an assembly is very imperfectly adapted. It is the poorest kind of an executive; it is even a worse judge; but as an inquisitorial instrument it is one of the most effective things at times of which I know. Every legislative assembly, of course, should turn an attentive ear to every popular complaint. It should not be slow to explore abuses, nor should it be slow to expose corporate or individual misconduct of any kind. But at the same time, Mr. President, this inquisitorial function of the legislature is a thing that like all other forms of power should not be abused; so ever since I have been a Member of this body I have insisted whenever there was a proposal to have the Senate investigate any industry or any person that a sound prima facie case should first be made out. What would we think if an individual were tried before he had been indicted or arraigned; that is, before there had been at least some kind of accusatory ex parte investigation made into the question as to whether he was guilty or innocent?

Of course, to a certain extent it is a popular thing to bait corporations and great industries. That kind of thing measurably

appeals to the unthinking, unreflecting mass of the community; but I say it is just as wrong, just as indefensible to accuse a great industry and to follow up the accusation, no matter how vague, by an investigation before a prima facie case of some sort has been made out as it would be for a grand jury to indict the citizen before at least some substantial ex parte testimony had been adduced tending to establish the guilt of the accused.

There has been more than one investigation prosecuted by this body since I have been here. One was prosecuted, with a striking measure of brilliant success, by the untiring industry, the keen technical insight, and the rare forensic abilities of the Senator from Montana [Mr. WALSH]. That was a real investigation, an investigation warranted if not by specific accusations at least by an atmosphere of widespread and aggravated suspicion that the Government had been flagitiously despoiled of its property. Then came along the investigation into the conduct of Attorney General Daugherty and his unsavory associates. Just as I gave my approval to the oil investigation I gave my approval to that, asking in that instance, too, only that there should be, so far as possible, a fair, impartial, and dispassionate investigation.

The Senator from Ohio [Mr. WILLIS], it will be recollected, rose at that time and said that Mr. Daugherty was as clean as a hound's tooth. In point of fact, it proved that the Senator should have taken his simile from the other end of the dog. But, as I have said, the function of legislative investigation can be abused, and readily abused, from all sorts of motives. Now we have reached the point at which there seems to be in this Chamber an absolute rage, a mania, nothing less than a mania, for investigation. In a short time there will be nothing left to investigate except the senatorial investigators themselves. At this time there are pending in the Senate no less than 18 different investigations. Indeed, I doubt whether my statement is sufficiently exhaustive.

With the greatest respect, I say that perhaps more conspicuously than any other Member of this body, the Senator from Montana has succumbed to the propensity to investigation. As I have had occasion to observe, he seems to find the same degree of pleasure in investigation that some men find in intoxication. He is like a tiger who tastes human blood and then becomes a man-eater for the rest of his life. I commend to him therefore the importance when he indulges his taste for investigation of selecting some object that unquestionably calls for investigation.

I said a few moments ago that after a while there will be nothing for the investigators in this Chamber to investigate except themselves, and I now wish to say to the Senator from Montana that at this very time he has an opportunity to bring about such an investigation. A dispatch has recently come from Florida stating that a witness on the stand in a case there a few days ago testified that he had been engaged in the unlawful business of importing liquor into this country, and that among his customers was more than one Member of the Senate of the United States. If everything is to be investigated, why does not the Senate, I repeat, investigate itself?

Again, should the Senator from Montana be wholly unable to resist the pruriency of investigation, I commend to him the expediency of investigating the transactions and operations of the Custodian of the Alien Property Fund. Again and again in the last few months the intimation has come to me from reliable sources that if the probe were put in there it would strike a pus sac of no little magnitude; and yet nobody seems to be willing to put the probe in, fierce and uncompromising as is the spirit of investigation that prevails in this Chamber. Why is that? Perhaps because the roots of that office are to some extent planted in the remoter past, and a full investigation of its history might enmesh Democrats as well as Republicans in its net on the eve of a presidential election.

I am one of those Democrats who believe with Benjamin Franklin that a rascal hanged out of a family confers more credit on it than all its irreproachable members; and if any Democratic lawyer as well as Republican lawyer has been receiving, in connection with the workings of the office of Alien Property Custodian, grossly exorbitant fees, or if any Democrat as well as Republican has been in some other form receiving graft arising out of that office, by all means let us have an investigation. Extreme as I think this spirit of investigation has become, I would be willing, if that were the field of investigation——

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BRUCE. No; not at this moment. I will yield to the Senator later.

I know, of course, that I shall not be able to prevail with the Senator from Montana [Mr. WALSH]. He is so constituted that when he is opposed to an investigation he is as fanatically uncompromising as when he is in favor of one. Some of us have not forgotten the fact that in 1926, when we asked the Judiciary Committee of the Senate, of which he was a member, for an investigation into the practical workings of prohibition, from first to last he set his face like flint against any such investigation. We who felt so strongly upon this vital subject, we who believed prohibition to be such a tyrannical and scandalous system, would have been absolutely denied, if the Senator from Montana had had his way, the privilege of demonstrating to the country that prohibition had been the prolific parent of oppression, of lawlessness, of corruption, of scandal, and of bloodshed.

Ah, but there were other men on the Judiciary Committee quite as strong prohibitionists as the Senator from Montana, and they, all honor to them, saw to it that we had fair play. There was an investigation, there was a hearing, with the result that they demonstrated the fact that out of a Prohibition Unit force of a few thousand men no less than 875 scamps had been dismissed from the Prohibition Unit, either for violations of the Volstead Act or for one form of downright rascality or another.

The Senator from Montana will indeed be successful, if this special committee shall be formed and he shall be its chairman, should he bring into the meshes of his investigation as many as 875 rapscallions engaged in the electric light and power business of this country; and yet that was the bag which that prohibition investigation made. And, mind you, that list of 875 dismissed prohibition officers did not include any members of the Prohibition Unit force who had been merely suspected and asked to resign, and, needless to say, no members of the force who had been guilty of criminal offenses but had been clever enough in one way or another to avert suspicion.

If investigation is a good thing, it is a still better thing when it works both ways, and not simply when some man with a perfervid nature, moved by his enthusiastic temperament, or perhaps by the ambition to be President, or by some other secondary or ulterior motive, gives himself up to purely prosecuting zeal. Even now there are some people saying in this country to Democrats like myself who happen to be great admirers of Gov. Alfred E. Smith, "Why do you not drop your wet Catholic and take up a dry Catholic?" And perhaps a highly efficient and successful investigation in this case might operate in no considerable transfer of allegiance on the part of Democrats from one presidential candidate to another.

When the pending resolution went to the Interstate Commerce Committee I expected, if that committee had a good prima facie case against the electric light and power companies of this country presented to it, to give my approval to the creation of the special committee mentioned in it. Of all its members, I was perhaps the one that was most studious to see that the Senator from Montana [Mr. WALSH] had the amplest opportunity to make out such a prima facie case. In the very beginning of the proceedings of the committee I suggested that we should have a full opening statement from him, thinking, of course, that he would frame in that statement something in the nature of a real indictment against the electric light and power corporations; and afterwards, when the question arose as to whether or not the witnesses before the committee were to be cross-examined on behalf of the sponsors of the resolution by the Senator from Montana, I, in the face of no little opposition, took the position that the Senator from Montana should have the right to cross-examine any of the witnesses that he saw fit. Indeed, such abundant opportunities were afforded to him to participate in the hearings of the committee that he himself has been responsive and grateful enough to say on the floor of the Senate that we was treated with the utmost degree of courtesy by the committee in the course of the hearings.

I waited in vain, however, for the prima facie case, and so did every other member of the committee. You may go over those printed hearings, and you will not find a really substantial thing to justify the investigation at this time of all the interstate electric light and power companies of this country. Mind you, if the Senator from Montana had had his way, the investigation would not have been limited to interstate electric light and power companies. He proposed to reach, with the searchlight of investigation, not only every interstate electric light and power company in the United States but every intrastate electric light and power company in it as well, no matter how reduced its scale of importance, no matter how limited its operations.

Nor is this all. Not only did he propose to empower the special committee called for by the pending resolution to investigate how far all these electric light and power companies, interstate and intrastate, had attempted to control the election of Presidents, Senators, and Members of the House of Representatives, but how far the election of every State official

as well, no matter how petty his office. The extremes to which the Senator from Montana was disposed to go in those respects have been revised by the committee, and, I trust, will ultimately be revised by the Senate.

And let me ask, in what temper of mind did these fruitless hearings leave the Senator from Montana? Notwithstanding the fact that they proved to be a water haul, to use a fishing phrase, the Senator from Montana actually concluded them both in these words, and I ask the Members of this body to listen to them intently as I read:

> Now, Mr. Chairman, I merely desire to say this much, that in the starting of this movement I had hoped to be in a situation where I could present to any committee everything that was good in this movement, as well as everything that was evil or fraught with danger to the public, either to the investor or to the general consumer, who is obliged to pay the rates upon which these things are done. But the matter has developed—

Just listen to this:

> But the matter has developed in such a way that I am bound to assume the rôle of a prosecutor.

That is to say, the hearings commenced with the Senator as an investigator, and though nothing really reflecting upon the conduct of these electric light and power companies was elicited in the course of them, they ended with the Senator from Montana in the rôle, according to his own admission, of a prosecutor, a prosecutor to the death, a prosecuting gun loaded to kill, though, as far as the testimony at the hearings went, there was nothing to kill, nothing even to maim or cripple. Such is the spirit in which he, if he is chairman of the special committee, proposes to enter upon this investigation.

Mr. WALSH of Montana. Mr. President——

Mr. BRUCE. I yield.

Mr. WALSH of Montana. That statement was made when there were present in large numbers in the committee room representatives of the great power lobby that was assembled here, which I said would probably take care of the other side of the question.

Mr. BRUCE. Power lobby! That word "lobby" has been so perverted during the course of my experience as a member of legislative bodies that I can hardly keep my bile from rising when I hear it. No honest man fears a lobby of any sort.

Mr. WALSH of Montana. I thought the public utilities there represented by 180 lawyers would be able to say whatever might be said in support of their end of the inquiry.

Mr. BRUCE. Perhaps it takes 180 lawyers to cope with such a lawyer as the Senator from Montana.

Mr. DILL. Mr. President, will the Senator yield?

Mr. BRUCE. I yield.

Mr. DILL. The Senator knows that there is an amendment offered by the Senator from Montana proposing that the Senate shall elect the committee.

Mr. BRUCE. That proposition is pending now because the Vice President, responding to the impulses of his high-minded and honorable character, said he did not think under the circumstances that it was proper for him to name the members of the committee.

Mr. DILL. If the Senator thinks that the Senator from Montana would be so unfair, he could help elect somebody else the chairman of the committee, and elect a committee that would be fair.

Mr. BRUCE. Knowing, as they used to say down South, how "sot" the Senator from Montana is in his ways, I think we should have some difficulty in doing that without his consent, but we might.

As I said, I for one am sick of hearing these constant references to lobbies. I have been a member or connected as a law officer with legislative bodies for no small part of my life, and I have had hundreds of citizens, interested or disinterested, approach me to present their views to me with reference to legislation, and never once in all that time—I say it as if I said it at the foot of an altar—never in all that time did I ever have any human being approach me with any improper proposal as to a matter of legislation. They all, to use the happy phrase of the old English poet, felt that so far as I was concerned:

> He comes too near that comes to be denied.

I often wonder who are the members of legislative bodies who are approached with corrupt solicitations.

The Senator from Montana and I will never agree upon a proposition that all lobbyists, whether honorable lawyers or pettifoggers, whether business men of high or low degree, are a set of unconscionable, unscrupulous knaves standing at the doors of the legislature for the purpose of illicitly or insidiously influencing the course of legislation.

I say without a moment's hesitation that the lobbyist is my best friend. I would as soon complain of the approaches of any man, I care not who he is, that is interested in any matter of pending legislation to me, as I would of a witness being allowed the privilege of testifying in a case because he was interested in the case. Let the lobbyist present his case to me and I will determine for myself how far it should and how far it should not be discounted by his selfish interest in the particular legislative subject matter about which he is concerned.

The very first thing that I do whenever any matter of importance is pending in this body is to obtain all the information that I can and from any source that I can, interested or disinterested, with reference to the merits of the matter.

What were the representatives of this vast industry to do, in the judgment of the Senator from Montana? Were they to pay no heed at all to the pending resolution? Were they not to take cognizance at all of the fact that the electric light and power industry was about to be investigated, and that the electric light and power companies of the country were about to be subjected to a vast amount of expense because of the proposed investigation, to say nothing of the extent to which the value of their securities might be affected and their ability to obtain the loans that are indispensable to their maintenance impaired by reckless or unfair treatment? Were they to be denied the privilege of coming here and respectfully insisting that if there was to be an investigation it should at least be a fair, impartial, and dispassionate one?

Is it not allowable for me to say that the representatives of those electric light and power companies as American citizens had just as much right under the circumstances to stand about our doors here as we had to sit in our seats here? Ah, no, says the Senator from Montana in effect, they are nothing but a lot of ravenous wolves skulking about a stockade.

Indeed, in his views about this lobby, this ogre, this monster, this mythical rawhead and bloodybones, he becomes as irate as though aflame with moral indignation of the loftiest order at the very idea of a group of American citizens insolently coming here for the purpose of presenting their case to this body. He reminds me of a thing that I read some time ago about a London costermonger. The author said that he overheard this costermonger curse an eel because the eel would not lie still while he was skinning him. By the way, that incident takes us back to King Lear, where the cockney says to the writhing eels in the hot pan:

> Down, wantons, down!

The Senator is very much provoked because the great electric light and power industry will not lie still when threatened with unfair treatment, and exclaims, too, "Down, wantons, down!"

No prima facie case was made before the Interstate Commerce Committee, but I am willing that there should be an investigation after all this agitation; and while I have no special connection of any kind with the representatives of the electric light and power companies of the United States, as I understand it, they themselves wish an investigation, provided that it is a just, an impartial, an honest, and a nonpolitical one. They take this position, notwithstanding the fact that we are on the eve of a presidential campaign, and it is easy for all sorts of persons on the eve of such a campaign to lend themselves to all sorts of secondary and ulterior purposes in the prosecution of a legislative investigation.

In my judgment, the proper agency for this investigation is the Federal Trade Commission, and I ask this body again not to let itself be swept off its feet by any extravagant denunciation of the members of that commission. There is even my friend from Virginia [Mr. GLASS], a man as cool, deliberate, and clear-headed in action as any man I know in the world, but very vehement in the maintenance of his convictions, which are strong, as the convictions of all strong men usually are. He went so far yesterday as to state that if a man like Humphrey was to be on the Federal Trade Commission he would like to see the commission abolished; in other words, to get rid of the rat he was willing to burn down the house.

Then there were the Senator from Nebraska [Mr. NORRIS] and the Senator from Montana, who similarly denounced Mr. Humphrey up hill and down dale and held him up as utterly unworthy of trust.

Now, whenever I hear such sweeping charges made against any public official I always try to preserve my balance. I voted against the appointment of Mr. Warren as Attorney General of the United States because I thought that there were special reasons why his confirmation should be rejected by this body. I had reason to think that in the discharge of his duties he might be influenced by his past business connections. I voted

against the confirmation of Mr. Wood as a member of the Interstate Commerce Commission because I thought that his antecedents and environments had also been such that he might not find himself in a position to discharge his duties in such a position in the disinterested manner in which public duty should be discharged by every public official.

But I can not forget that I was one of the members of the Interstate Commerce Committee which heard the case that was attempted to be made out against Mr. Humphrey. All his enemies rallied in full force. They drew up and pressed the most damning indictment that they could possibly frame. So far as I was concerned, I would have voted against his confirmation as cheerfully as I turn into my bed at night if I had thought that he was unfit to be a member of the Federal Trade Commission. But that committee gave a fair and impartial hearing to the case and concluded that the reputation, standing, and integrity of Mr. Humphrey had not been successfully impeached, and so his confirmation was recommended by the committee and was afterwards, after another effort to defeat it on the floor of the Senate, approved by the Senate.

I understand that he has just written a letter to the Senator from Montana, in view of some accusations made against him a day or so ago by that Senator, stating that the changes in the practice and procedure of the commission, to which the Senator from Montana adverted in making those accusations had, every one of them, been made with the full consent of his colleagues.

And who, pray, are his colleagues? Who would be associated with him if the proposed investigation should be referred to that commission? Of course, Mr. Huston Thompson and Mr. Nugent, both of whom are regarded—though I do not say justly regarded—by many individuals in this country as extremists, are no longer on the commission. They have been succeeded by two members whose integrity, intelligence, and qualifications in every respect for its duties can, without the slightest difficulty, be duly avouched. One of them is Judge McCulloch.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. BRUCE. I yield.

Mr. BROOKHART. Did the Senator say that Commissioner Nugent is still on the commission?

Mr. BRUCE. No; I said he had left the commission.

Mr. BROOKHART. Yes; he is not now on the commission.

Mr. BRUCE. No; he is not on it. I do not know whether that fact conveys gratification to the breast of the Senator from Iowa or not.

Mr. BROOKHART. I was very much in favor of his reappointment.

Mr. BRUCE. I am not reflecting on either Mr. Thompson or Mr. Nugent. But, as I have just asked, who are the two new members of the commission? Their weight and influence seem to be left altogether out of account by the Senator from Montana [Mr. WALSH] in his vitriolic tirade against Mr. Humphrey. One of them, as I said, is no less a person than Judge McCulloch, formerly of the Court of Appeals of the State of Arkansas, who stepped down from the bench of that court an honored, an illustrious, and spotless jurist, to take his place—God knows why—upon the board of an administrative Federal commission. I understand that he is one of the ablest lawyers and one of the profoundest and most upright judges in the country. Is the Senator from Montana prepared to cast aspersions upon him, too, to doubt his disposition to handle the investigation contemplated by this resolution in a perfectly proper manner in every respect should it be referred to him and his associates?

Who is the other new member of the commission? Mr. Garland S. Ferguson, the nephew of one of the most beloved and respected Members of this body, who I am told is also admirably qualified for the discharge of his duties as a member of the commission. Is the Senator from Montana prepared to shy a brick at him, too, to doubt his integrity, to distrust his ability, and to claim that he, too, would be shamelessly subservient to corporate influences notwithstanding his oath of office and the high and sacred nature of his responsibilities?

So if we are not going to have a prosecution such as the Senator from Montana seemed to contemplate in the course of the hearings to which I have been referring, but are going to have an investigation, a fair, impartial, and dispassionate investigation, why should not the Federal Trade Commission conduct it, as the Senator from Georgia [Mr. GEORGE] asked in the course of his most luminous and convincing speech yesterday? The commission have already largely covered the field of the electric light and power industry. They have rendered two reports. One was to the effect that no evidence had been brought to their attention of any violations of the antitrust act by the electric light and power companies, and that was followed by a supplemental report. Their first report gave such striking indications of industry, of patient laborious research, of conscientious discharge of duty, that the Senator from Montana, in the course of the hearings before the Interstate Commerce Committee, actually referred to it as a monumental report—and such, indeed it seems to be.

But now, having acquired the mastery that they have over some phases of the electric light and power industry in the country, why should they not be allowed to complete their work and to go on to additional fields of investigation connected with the industry and to bring in another monumental report setting forth the financial set-ups and interconnection of the various electric light and power companies of the country, and showing, too, if the Senate desires it, whether any of those electric light and power companies have sought to control in any manner the elections of Senators or other Federal officials?

In other words, the alternatives presented to this body to-day, under circumstances that involve no specific accusations of misconduct against the electric light and power industry, are investigation or prosecution; and certainly the great business interests of the country are not to be vexed and harried by prosecution as distinguished from investigation except when there is some real cause for prosecution, inferable with more or less confidence from the nature of the accusations made against them.

Another thing; experience has abundantly shown that an investigation which is not carried on by this body in a proper manner does not secure the confidence of the country. I recollect that during the last presidential campaign—I believe I have quoted the remark here once before—when I happened to be sitting by Mr. John W. Davis, our Democratic candidate for the Presidency, at a dinner, he said to me, "Senator, I can not see that the oil investigation has had any effect upon public opinion in the United States at all." That was after he had been making the circuit of the country and had been delivering campaign speeches first at one point and then another. I said to him then, "But suppose that that investigation had been carried on just as efficiently, just as firmly, but had been carried on just a little less with the air of a political prosecution, do you not think that it might have had a material and telling effect upon public opinion." Of course, I will not say what his answer was.

And if anybody thinks that the Democratic Party is going to gain anything at this time, on the eve of a presidential election, by a fierce, undiscriminating prosecution of one of the greatest industries of the country, he is, in my judgment, mistaken. As I have said, if there had been specific accusations of misconduct against these companies, if any wrongdoing had been clearly brought home to them, I would be here at this moment advocating the selection of a special committee for the purpose of carrying on the investigation, and I should be glad to see the Senator from Montana once more fall into his habitual rôle as a prosecutor. But those are not the conditions that surround us. The only effect of a partisan attack upon one of the great industries of this country at the present time, so far as the Democratic Party is concerned, would be to make the people of the United States feel more strongly than they have for some time past that the Democratic Party is not the best agency to which the material interests of the Nation can be committed. I say that notwithstanding the fact that the most glorious single feature of the history of the Democratic Party to my mind is the unbending will, the adamantine face that it has always set against special privilege in every form.

However, I have already said not only enough to weary Senators but to weary myself, and I can only add in conclusion that I trust, as I have rarely ever trusted under similar circumstances in the course of my legislative life, that the amendment of the Senator from Georgia [Mr. GEORGE] will prevail.

Mr. DILL. Mr. President, I was particularly impressed with the remarks of the Senator from Maryland [Mr. BRUCE] on the subject of the lobby in connection with the pending resolution to investigate the public utilities of this country. The Senator from Maryland boasted of the fact that nobody had made any improper proposal to him relative to the resolution. I do not know whether or not the Senator really expected those who heard him and those who will read his remarks to take him seriously when he argued that there was no lobby working in connection with this resolution. Of course, the lobby that is here and that has been here for weeks and that is working in the sections from which Senators receive correspondence is not crude nor rough; this lobby does not try to prevent this investigation or to hamstring it by sending it to the Federal Trade Commission by any such crude proposals as making improper offers to Senators. Of course, nobody has come here

and attempted to buy any Senator's vote; nobody has even offered to bribe Senators with campaign contributions. They would not think of that; that is too common and coarse. They have not threatened to defeat any Senator who might vote the other way. They have risen above that kind of lobbying, because that is the old kind of lobbying. They have been much more subtle and, I think, much more efficient as a result of their subtlety. They have employed numerous and divers ways of influencing the minds of Senators.

I think every man, whether he is in public life or not, has certain characteristics; he has certain tendencies that make it possible to appeal to him and to influence his action. I might almost describe it in terms of a blind horse with which, as a boy, I was familiar in Ohio. He was a peculiar horse. He was very gentle and tractable except for one thing; that was to get a bit in his mouth whenever we tried to put the bridle on him. He had one blind eye, and if we could get up on his blind side and start the bit in his mouth before he saw us, we could get the bridle on him, and he was a fine horse for all purposes. So the lobby that has worked on the pending resolution has worked on the principle of coming up on the blind side of Senators.

The first and most common method of appeal has been to suggest that the investigation proposed is to be a political one, and that the Senator from Montana expects to make himself so notable by it that he will be nominated for President of the United States on the Democratic ticket. Mr. President, in my judgment, the Senator from Montana does not need any added glory as an investigator to make him worthy of the nomination for President or of election, for that matter; and if conditions in the public-utility financing organizations are so terrible and so glaring that the Senator from Montana, or anybody else, can make it evident to the American people that an investigation is needed, why object to his reaping the reward that might come? The truth of the matter is that the very carrying forward of the proposed investigation by the Senator from Montana would probably do more to prevent his nomination than anything else, because every power and force which these great organizations of wealth could command would be used against him to prevent his securing a two-thirds vote in the national convention. However, that argument has been effective and will be effective with Senators, as will be shown when the vote is taken.

Then, Senators have been asked to vote to cause the investigation to be made by the Federal Trade Commission, because they have been told by very close personal and political friends that they own certain public-utility stocks that will be reduced in value if this resolution shall be adopted. That appeal has been made on the part of citizens who are honest and clean and have no thought of being lobbyists, but it is effective to a certain extent when not considered in its full import. Even widows and those who hold in trust money for orphans, who have investments in public-utility stocks, make their appeal to Senators on the ground that an investigation will destroy the value of their securities and, therefore, will be a dangerous thing.

Furthermore, the appeal has been made that the proposed investigation will so frighten capital that it will delay the development of great electric-power projects in various States, and Senators have been appealed to not to vote for anything that would delay such development in their States. That is another appeal which has a powerful influence.

So the lobby which has been working here has been a lobby more clever and more subtle and more effective than any I have ever known in my public career either in the House or in the Senate.

Now, what are the facts? When this resolution was brought before the Senate at this session we were asked to vote to send it—I say we were asked; the truth is we were frequently implored—to vote to send it to the Interstate Commerce Committee. It was thought that would kill it; but when it reached the committee there was so great a sentiment in favor of reporting it that we were then asked to amend the resolution so that the investigation might be conducted by the Federal Trade Commission, and on a vote in the committee of eight to eight that was refused. Now, we have the resolution on the floor of the Senate, and we are asked to provide that the Federal Trade Commission shall conduct the investigation so that it shall not hurt anybody.

Sir, either the financing of public-utility securities is sound or it is unsound. If it is sound, no investigation can hurt public-utility stocks permanently. There might be for a week or for a month some little depression in price, but if the investigation should show that the financing was sound, no harm would be done; in fact, the position of public-utility stocks would be strengthened. If any investigation shall be made by a committee of the Senate or any other body and nothing shall be revealed in the way of wild financing and watered securities, no harm will be done; but if there are instances of financing which make the securities unsound, then the quicker the fact is exposed and the more completely it is exposed the better even for the holders of the securities themselves.

I remind you, Mr. President, that this is not merely a resolution to investigate some business which has grown up temporarily. It is to investigate not only what is already a great public business, but to investigate a business that has grown so great that no other can be compared with it.

We are on the edge of the electrical age in America. Holding companies have been buying up little power companies throughout the country, paying two and three times what has been their previous value, and incorporating them into one great holding company. In my home town of Spokane, within the past month, the Electric Bond & Share Co. paid $230 a share for the stock of the Washington Water Power Co., which furnishes the electric light and power for the inland empire between the Rockies and the Cascades in the Northwest.

When I left home on the 1st of December that stock was selling for less than half that amount, as I recall. It was purchased by the Electric Bond & Share Co. for $230. Who will pay for it? Will it be the electric light and power consumers of that community, or will it be the holders of securities which will eventually prove to have been watered 50 per cent?

Much has been said about having the proposed investigation conducted by the Federal Trade Commission, a body that was established to investigate under the law and not to ascertain information on which to predicate some new law. Practically every State in the Union has its public service commission which passes upon the bonds of public-utility companies. There is no authority in the Federal Government or in any other Federal body to control the financing and the issuing of bonds of the great interstate public-utility holding companies. To my mind the dominant reason for this resolution is that we may secure the facts in order that we may legislate intelligently to protect future investors against watered securities in the electric light and power business, rather than to allow unwholesome conditions to continue until great national scandals occur and tremendous losses are suffered by investors.

I remind you that a few years ago, when it was first advocated that the Interstate Commerce Commission should take control of the railroad securities of this country, it was looked upon as a radical and wild proposition, and yet it has been found absolutely necessary. Why? Because the dangers in railroad securities have not been due to poor railroad management, the actual operation of the railroad trains and the handling of the passengers and the freight, but the national scandals of railroads have come as a result of watering the stocks and the manipulation of those stocks on the stock markets of the country.

I will not go into the history of the Chicago & Alton or the New Haven or other roads which might be mentioned, but I remind you that the electric light and power business is the coming public-utility business of the country, and the time has come when the Congress should have the facts asked for by this resolution, and should have them secured by a committee of its own members.

I have no complaint against the Federal Trade Commission as such; but I know from the reports they have already made that they do not and can not take the interest in this kind of an investigation that Members of the Senate will take when they know that this investigation is being made to get information for legislative purposes, and a vote to send this resolution to the Federal Trade Commission is a vote to kill this investigation.

I read in the newspapers that the Walsh resolution is dead, that the fight has been won against this investigation. Well, maybe that is true; maybe the votes will show that; but I remind you that it will be a barren victory, and this resolution or another resolution like it will come again at a time when the public demand is far greater than it is to-day, because of the abuses in the meantime which will make it necessary.

You can not shut out the light from a business that is financing itself as the public-utility electric light and power business is doing to-day, paying two and three times the value of these little power plants in order to issue bonds and securities to the American investor. So when you remember that electricity to-day is used in 14,000,000 out of 26,000,000 American homes, and that every day the use of electricity is increasing, when you remember that wherever there is a municipally owned light and power plant in competition with a privately owned plant rates are forced down to a basis below what they are where they do not have that competition, the question naturally arises, Why? The answer is to be found in large part in the watered securities that are being floated on the investment markets of this country to-day.

I criticize no one for his views or his vote on this measure. I assume that every Senator is as honest in his purpose as I can be. I say to you in all frankness, however, that a vote on this measure is a vote in the interest of the great money power of the country or it is a vote in the interest of the great masses of the people of this country. The American people may not understand all the details and differences about the Federal Trade Commission and the Senate committee, but they do understand that Wall Street and the money power is on one side of this fight and the interest of the great masses of the people is on the other side.

So far as I am concerned, I propose to be on the side of what I believe to be the interest of the great masses consuming electric light and power in this country and the people who are investing their money in these securities on the theory that they are based on sound financing.

It is not so important as to what the so-called big men of the country will say about us. Many of them are big only because they have money. It is not so important what the newspapers will say about us; but it is important whether our action here shall contribute to the benefit of the people as a whole, or whether it shall enable these great financing organizations to go forward with a system that they have already so abused as to arouse the best economists of America to the point of extreme criticism.

No public man should allow himself to be influenced by those who can secure his ear and make their appeal when as a result of that influence his vote will be against the interests of the millions who are struggling in this country to make a livelihood, and who have neither money nor time to come here to plead for their cause.

We owe something—ah, we owe everything—to the millions of people who send us here and expect us to protect their interests when they can not understand what their interests are, or, if they do, can not come here because of lack of finances and time to present their case.

So I say, you may defeat the Walsh resolution; you may beat this investigation, and turn it over to the Federal Trade Commission, and nothing be proven or shown by that investigation, but that will not have ended this controversy. Sooner or later, these facts will come forth. Whether they are to come forth in an investigation in the orderly methods that have been pursued in other investigations and the truth be known before greater wrongs have been committed or whether they are to be further covered up by a half-hearted, friendly, whitewashing investigation and nothing done until the pressure shall come that inevitably will come, makes but little difference in the final result, except as to the people who must pay the bill and those who will lose by their investments in the meantime.

Mr. President, this is only a part of the great struggle which goes on ceaselessly between the forces of conservatism on the one hand and progressivism on the other. There is no party line in this situation. There are Democrats voting one way and Democrats voting another, Republicans voting one way and Republicans voting another.

This resolution, better than anything else that has come into the Senate in many days, will draw the line between those two classes of public men. The public as a whole is about to learn the line-up in this body, and that will be valuable.

Leaders come forward in these fights for progressive measures. They are sometimes called radicals. They are decried against, and they fight on, and after a while they often become conservative in their views and quit fighting. Sometimes they go to work for great organizations of capital at immense salaries. But the people always press on. The people always look for new leaders, and new leaders come. So for the history of a thousand years this struggle of the people for more rights, for fewer privileges by law to those who exploit in the labor of the poor has gone on. This stream of progress has flowed up the slopes of history. It is the only stream in all history that flows upward. It flows up from ignorance toward education; up from slavery toward freedom; up from tyranny toward self-government; up from autocracy toward democracy.

I shall not be surprised if this resolution is defeated, but I shall be glad to have been able to be here and do my part, so far as I can, in what I believe to be the cause of greater social justice and greater human contentment and greater human happiness for the common masses of America. Their uplift, their happiness, their opportunities, their rights affect the world, because to-day the world looks to America as a great example; and this Nation rules the world, not by armies and navies, not by guns and ammunition, but by the silent example of our treatment of the masses of men within our own borders, by which we say to all men everywhere, "If you approve, go thou and do likewise."

Mr. HOWELL. Mr. President, some one has said that there are two great mainsprings of human action—desire and fear. However, there is a third, possibly more effective because of its continuous action, and that is habit.

Desire and fear actuate individuals spasmodically, but habit is constantly at work. It is like gravity, pulling all the time; and the great obstacle to the advance of civilization is the manner in which humanity clings to habits which are, or have become, irrational.

The people of this country are in the habit of paying excessive prices for electrical energy, a habit of which they are largely unconscious. The result has been enormous profits. These profits in turn have resulted in the pyramiding of the stocks and bonds of our electrical industries, until now we are confronted not merely with unjust electrical rates in this country but with the danger of our investing public putting money into securities based upon the resulting inflated values.

Public regulation has failed to provide just rates and to prevent the distribution of inflated securities. As a result, this investigation has been suggested; and in my opinion it is not only justified but in view of the facts it is the duty of Congress itself to proceed therewith and not delegate it even to the Federal Trade Commission.

What evidence have we that the American people are paying excessive electric-light rates? To demonstrate this fact, I shall compare the rates charged for domestic service in Toronto, Canada, with similar rates charged for service in Birmingham, Ala. Toronto is supplied with electrical energy from Niagara Falls by the Hydroelectric Commission of Ontario, and Toronto municipally distributes the energy which it purchases from the Hydroelectric Commission. The company that distributes electrical energy in Birmingham, Ala., is supplied with electrical energy by the Alabama Power Co. The Alabama Power Co. is a great hydroelectric power enterprise, and the distributing agency in Birmingham is one of its subsidiary companies.

So we have Toronto, Canada, publicly supplied, on the one hand; Birmingham, Ala., privately supplied, on the other. Again, Toronto is about 100 miles from Niagara Falls, the source of its electrical energy. Birmingham is about 100 miles from Muscle Shoals, where the Alabama Power Co. purchases from the Government of the United States electric energy for 2 mills a kilowatt-hour. Similarly, Toronto purchases its energy from a governmental subdivision of Ontario, the Hydroelectric Commission, but they have to pay therefor not 2 mills a kilowatt-hour, but some 2.8 mills per kilowatt-hour at Niagara Falls.

What is the cost of transmission? The Hydroelectric Commission also transmits for Toronto the electrical energy which the city requires from Niagara Falls and adds to the 2.8 mills paid therefor 1.1 mills. In other words, in Toronto, at the switchboard, the city pays 3.9 mills per kilowatt-hour for the electrical energy delivered. It probably does not cost the Alabama Power Co. to exceed 2 mills to transmit the energy which it purchases from our Government at Muscle Shoals to Birmingham, because the distance is practically the same as that from Niagara Falls to Toronto. Therefore we may assume that the energy from Muscle Shoals delivered by the Alabama Power Co. in Birmingham costs the company 4 mills, as against 3.9 mills paid by Toronto for its electrical energy purchased and delivered at its switchboard from Niagara Falls.

Now, let us consider and compare the rates charged for electrical energy in Toronto with those charged in Birmingham. In one case the distributing plant is owned by the public; that is in Toronto. In the other the distributing plant is owned by a private corporation; that is in Birmingham.

In 1926 the average bill for domestic consumption in Toronto was for 94 kilowatt-hours; that is, taking all the bills for electrical energy used domestically in Toronto, dividing the total by the number of domestic consumers, gave a quotient of 94 kilowatt-hours per month. What did the domestic consumer in Toronto pay for that 94 kilowatt-hours? The average bill was $1.63, or at the rate of 1.7 cents a kilowatt-hour.

What did the domestic consumer in Birmingham, Ala., pay in 1926 for 94 kilowatts a month? He paid $7—$1.63 in Toronto; $7 in Birmingham, Ala.

Energy sold by the Government of the United States to the Alabama Power Co. was transmitted, and that portion which reached Birmingham was sold to the domestic consumer for 7.45 cents per kilowatt-hour; but the electrical energy delivered from Niagara Falls to Toronto, about the same distance, by the government of Ontario, or a subdivision thereof, and distributed by the public plant in Toronto, cost the consumer but 1.7 cents—7.45 cents in Birmingham; 1.7 cents in Toronto—both supplied by water power, both owned and controlled by the Government, so far as the hydroelectric development is concerned. Does not this unquestionably demonstrate the fact that the people of this country are paying excessive electric-light rates,

inasmuch as the average domestic rate throughout the United States is approximately that of Birmingham?

What evidence is available to the effect that public regulation has failed in this country? In Ontario, Canada, there is a city known as Niagara Falls, located right where electrical energy is developed from the fall of water afforded by the Niagara River. Opposite Niagara Falls, Ontario, is Niagara Falls, N. Y., another city supplied by hydroelectric energy from the same Niagara River. On the Canadian side the city of Niagara Falls is supplied with electrical energy by its own municipal plant, which buys its electrical energy from the Hydroelectric Commission of Ontario.

In 1926 the average bill for electrical energy used in Niagara Falls, Canada, was for 208 kilowatt-hours per month. The charge therefor was $2.54. In Niagara Falls, N. Y., across the river, 208 kilowatt-hours cost about $7.40.

On the Canadian side of the river the domestic consumer paid 1.2 cents per kilowatt-hour, on an average; on the American side of the Niagara River he paid 3.6 cents per kilowatt-hour—three times as much.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. STEIWER in the chair). Does the junior Senator from Nebraska yield to his colleague?

Mr. HOWELL. I yield.

Mr. NORRIS. I am wondering if my colleague, in stating the rate in Niagara Falls, N. Y., spoke on the assumption that the Niagara Falls, N. Y., customer consumes as much electricity as the customer on the other side of the river.

Mr. HOWELL. I have used for comparison the average bill in Niagara Falls, Canada, and compared it with the same consumption, 208 kilowatts a month, in Niagara Falls, N. Y.

Mr. NORRIS. I have no figures before me, but it must necessarily follow that the average bill in Niagara Falls, N. Y., is very much smaller than the average bill in Niagara Falls, Canada, because, as the Senator has read, the average bill in Niagara Falls, Canada, is for something over 200 kilowatts a month. That means that a good many of the houses and homes in Niagara Falls, Canada, consume as many as 200 kilowatts in one month.

In the United States that would be an enormous amount of electricity. The ordinary eight-room house will consume from 40 to 50 kilowatts a month. In other words, the ordinary house in Niagara Falls, Canada, will consume about as much electricity as six or seven similar houses in the United States on the average. That is because the rates in Niagara Falls, Canada, are so low, and because electricity is cheap nearly everybody—not everybody, of course, but a very large number of people and homes—do all their cooking, for instance, by electricity and have all the appliances known to modern science, because they can afford them. On this side of the river, where they get the power from the same falls, they can not afford all those things because the rate is so high.

I have forgotten the rate in Niagara Falls, N. Y., but it would not be fair to take the average rate on the Canadian side for over 200 kilowatts a month and use that as a basis to make any figures on the American side, because it would not make the difference appear nearly as great as the difference actually is. In other words, the American consumer, consuming a small amount of electricity for his home, does not get down into the low rates like the Canadian consumer does. I think in Canada the maximum rate is 2 cents a kilowatt-hour and goes down to 1 cent. Can my colleague give me the maximum rate in Niagara Falls, N. Y.?

Mr. HOWELL. The maximum rate is 5 cents.

Mr. NORRIS. How much of that rate can the householder use before it drops, and how far does it drop?

Mr. HOWELL. Five cents per kilowatt-hour for the first 40 hours' use of demand, 4 cents for the next 120 hours, and 1¼ cents for all excess.

Mr. NORRIS. The average householder in Niagara Falls, N. Y., does not get the benefit of the cheap rate because he does not take enough electricity. He will have to pay the maximum rate for all he gets.

Mr. HOWELL. I am comparing a bill for 208 kilowatt-hours a month in Niagara Falls, Canada, with a bill for 208 kilowatt-hours a month in Niagara Falls, N. Y., and the facts are about as I have stated.

Mr. NORRIS. I have no doubt of that, but that is the point I want to call to my colleague's attention. His comparison does not make the showing as favorable to the Canadian consumer of electricity as the real facts are, because the average bill in Niagara Falls, N. Y., is much less, so the American consumer in Niagara Falls, N. Y., is paying a higher rate than my colleague's illustration uses. If he took the real bill or the average bill in Niagara Falls, N. Y., his comparison would be much more illuminating. In other words, in the comparison my colleague has made it does not show up, to the full extent that it should, of the difference between the two rates.

Mr. COPELAND. Mr. President, will the Senator yield for a question?

Mr. HOWELL. In just a moment. As suggested by my colleague, in another form of statement the striking difference would be rendered more apparent. That, I assume, is what my colleague desired to make clear.

Mr. NORRIS. That is correct.

Mr. HOWELL. In Niagara Falls, Canada, the electric distribution plant is owned by the people of that city. The electrical energy is delivered to the distribution system by the hydroelectric commission and the rates quoted are the result. In Niagara Falls, N. Y., the energy is developed by a private corporation from water power obtained from the same Niagara River, but with this difference; it is distributed by a private corporation, subject to regulation by the New York Public Service Commission, and the rates resulting are approximately what I have stated. Does not this comparison demonstrate the failure of public regulation?

Mr. SMITH. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. HOWELL. I yield.

Mr. SMITH. The Senator mentioned a moment ago the maximum rate; that is, the initial rate of about 5 cents for the first 40 hours. How does that compare with the initial rate for the first 40 hours on the Canadian side?

Mr. HOWELL. I have not the details of the schedule here; however, on the Canadian side it is much lower.

Mr. SMITH. I think that would come nearer to bringing out the fact which the senior Senator from Nebraska was attempting to develop, that the initial rate is so much on the American side, and I would like to compare it with the similar rate on the Canadian side.

Mr. HOWELL. I can throw some further light on the matter from some data which I have at hand.

Mr. SMITH. I thought perhaps the senior Senator from Nebraska could give us those rates.

Mr. NORRIS. If my colleague will yield, I have those rates in the report of the hydroelectric commission at my office, but not here. Speaking from memory and from my knowledge of cities of the size of those in Ontario, Canada, I think I can tell the Senator. I may be wrong. I think it is 2 cents.

Mr. SMITH. As compared with 5 cents on the American side?

Mr. NORRIS. Yes.

Mr. HOWELL. I can throw further light upon the matter with the data which I have in hand. Let us consider a smaller bill. Sarnia is a city 170 miles distant from Niagara Falls. Its electric energy is delivered to Sarnia by the Hydroelectric Commission. Assuming that it costs 2.8 mills per kilowatt-hour at Niagara Falls, the city pays 3 mills for transmitting the energy to the switchboard in Sarnia, or a total of 5.8 mills. In Sarnia, a town of but 16,000 inhabitants, 81 kilowatts a month is the average bill, and the charge therefor is only $1.69, or at the rate of 2.1 cents per kilowatt-hour.

Mr. NORRIS. Is not my colleague wrong on the rate there? Will he give those figures again?

Mr. HOWELL. The charge for 81 kilowatts in Sarnia is $1.69, or at the rate of 2.1 cents per kilowatt-hour.

Mr. SMITH. That charge includes the transmission?

Mr. HOWELL. That is the charge the consumer pays. I am assuming the cost of the electric energy at Niagara Falls at 2.8 mills. The charge for transmission on that basis is 3 mills, making the total cost at Sarnia, 170 miles distant, 5.8 mills. Sarnia then proceeds to distribute its energy and collects from the domestic consumer as an average 2.1 cents per kilowatt-hour.

Mr. COPELAND. Mr. President, will the Senator yield for a question?

Mr. HOWELL. Certainly.

Mr. COPELAND. For my information, will the Senator state, when the comparison is made between the rates in Canada and in the United States if the same charge is made for taxes, interest, and depreciation on the Canadian plant as is made against the cost of operation of the American plant?

Mr. HOWELL. The charge on account of capital is the rate which the publicly created hydroelectric commission has to pay for money, and I presume that it is from 4 to 4½ per cent. The hydroelectric commission does not pay and the distributing plants do not pay taxes. But what ought we to add for taxes? In the city of Washington the amount to be added for every kilowatt-hour sold by the Potomac Electric Power Co. to make

up for what they pay in taxes is 3 mills per kilowatt-hour. Suppose we add 3 mills to the rates to which I have referred. In the case of Sarnia the rates, instead of being 2.1 cents per kilowatt-hour, would be 2.4 cents.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to his colleague?

Mr. HOWELL. Certainly.

Mr. NORRIS. I am induced to ask my colleague permission to interrupt him on account of the question the Senator from New York propounded, and a very proper question, I think. My colleague has answered it so far as the facts are concerned, but there is another thing in these rates which has not been referred to. The Canadian rates which my colleague gives for Niagara Falls, Canada, and for Sarnia, being a town just across the river from Port Huron, Mich., include an item that is not included in any of the items on the American side, and that is an amortization fee which in 30 years will pay off the entire investment. There is no such fee on this side of the line because the investment is never paid off and the consumer continues to pay, and it goes on, like the brook, forever.

Mr. COPELAND. If the junior Senator from Nebraska will permit me to reply to what has just been said by the senior Senator from Nebraska [Mr. NORRIS], I desire to say that I was impressed by what occurred in Rochester a little while ago. I had occasion to speak there and I emphasized the difference in price between the charge made per kilowatt in Ontario and the charge made in Buffalo or Niagara Falls. Then I said, "By the way, what is the charge made here in Rochester?" I was told it was 3½ cents a kilowatt-hour; so there was not much difference.

Mr. NORRIS There ought to be no difference. If the theory of those who are opposed to the Canadian system is right, and we are getting cheaper rates here, of course, the rates in Rochester ought to be very much less than they are in Canada. As a matter of fact, they are not, as everybody knows who has inquired.

Mr. COPELAND. What does the junior Senator from Nebraska say?

Mr. HOWELL. Mr. President, allow me to read from the National Electric Light Association rate book of 1927.

Mr. NORRIS. Now we shall see what is paid in Rochester.

Mr. HOWELL. I quote Rochester Gas & Electric Corporation:

Energy generated by steam and water, also purchased.

Population, 321,000: Residence lighting and power, availability; lighting and incidental power where demand is not over 7.5 kilowatts, on straight line meter, 8 cents a kilowatt-hour.

Mr. COPELAND. Now read the remainder of it.

Mr. HOWELL. I continue:

Delayed payment penalty—

They do not reduce the bill for prompt payment——

Mr. NORRIS. They add to it.

Mr. HOWELL (continuing):

Delayed payment penalty, 10 days, 10 per cent first $5 of bill, 2 per cent excess.

Mr. COPELAND. What is the rate in the case when larger quantities are used than in the ordinary home?

Mr. HOWELL. Mr. President, I will say that the remaining rate data covers about two pages of the handbook.

Mr. COPELAND. Of course, all I know is the reply which was made to me, that the charge was 3½ cents per kilowatt. That took my argument out of doors.

Mr. HOWELL. Unless one is very familiar with rates and facts in such connections, electric-light officials will make statements which, though possibly technically correct, will conceal rather than reveal the facts and thus confuse rather than enlighten.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. I wish to inquire of the Senator from New York [Mr. COPELAND] for what use was the rate of 3½ cents per kilowatt charged?

Mr. COPELAND. Of course, I was making the ordinary speech that one makes when he wants to emphasize the importance of conserving electric power for the people, and I used the figures that I have heard the distinguished senior Senator from Nebraska [Mr. NORRIS], as well as the distinguished junior Senator from Nebraska [Mr. HOWELL], give in comparing the rates between Niagara Falls, Ontario, and Niagara Falls, N. Y. I expected when I asked the question, "What do you pay?" for them to say about 10 cents, but I was taken out of court at once when the reply was 3½ cents.

Mr. WALSH of Montana. For what purpose?

Mr. COPELAND. For domestic use.

Mr. HOWELL. Mr. President, I hold in my hand the official rate book of the Electric Light Association. I am sorry I have not worked out the rates for Rochester. The facts I have presented, in my comparison of the charges for electrical energy in Niagara Falls, Canada, and those of Niagara Falls, N. Y., in one case regulated by virtue of public ownership, the other by a public service commission, must clearly indicate a failure of regulation, or at least they indicate the tremendous price the people of the United States are paying notwithstanding and in spite of regulation.

Mr. President, here we have Niagara Falls on one hand and Muscle Shoals on the other, the Canadian Niagara Falls development publicly owned and operated. Muscle Shoals owned publicly also, but not utilized as in the case of the Canadian development that is distributed by transmission lines to neighboring cities. As a result we find that Birmingham is paying more for its electrical energy than is the city of Omaha, Nebr., which is supplied not by water power but by a privately owned steam plant under circumstances such as slack coal $4.50 a ton. The maximum net rate in Birmingham is 7.45 cents, while in Omaha the maximum is 5.5 cents. Why this difference; Birmingham is supplied by water power, Omaha by steam, both are privately owned? The Omaha electric-light plant was threatened with public competition, and it voluntarily reduced its rate from 14 cents a kilowatt-hour in 1912 to 6 cents in 1917, right in the midst of the World War; and since then it has reduced the net rate another half cent.

Mr. President, if the Government of the United States will do at Muscle Shoals what the people of Ontario have done with their share of the water power at Niagara Falls, all the territory within 250 miles of Muscle Shoals can be supplied with energy from that plant and the cost of light and power tremendously reduced.

Let us consider what are the rates in the territory within 250 miles of Muscle Shoals. Remember the Government is now selling energy at Muscle Shoals to the Alabama Power Co. for two-tenths of a cent a kilowatt-hour. Nashville, Tenn., is only 110 miles distant. It is a city of 137,000 population; but what do its citizens pay for the use in their homes of 94 kilowatt-hours a month? Ninety-four kilowatt-hours cost in Nashville $8.46, while in Toronto, Canada, 90 miles from Niagara Falls, a distance only 20 miles less than the distance from Nashville to Muscle Shoals, consumers pay for 94 kilowatt-hours $1.63. Here we have $8.46, as against $1.63, for an identical service.

Some one may ask, "Do you not know that the energy supplied in Nashville may be largely generated by steam power?" Mr. President, the Potomac Electric Power Co., of this city, is developing electrical energy and putting it on the switchboard at a cost of not to exceed seven-tenths of a cent a kilowatt-hour—7 mills per kilowatt-hour. Toronto, Canada, has to pay about 3.9 mills a kilowatt-hour for the energy at its switchboard. So, if the electrical energy in Nashville is supplied by a steam plant, if it is an efficient plant, the energy on the switchboard only costs about 3 mills more than transmitted energy in Toronto. The fact, therefore, that in Nashville electrical energy is supplied by a steam plant can not account for the difference between the rate charged to the domestic consumer in Nashville, namely, 9 cents per kilowatt-hour, and the rate charged in Toronto, which is 1.7 cents per kilowatt-hour.

If the Government of the United States will continue to operate Muscle Shoals, not sell the power generated there to the Alabama Power Co. for 2 mills a kilowatt-hour, but expend an additional $5,000,000 installing transmission lines, we will be, so far as Muscle Shoals is concerned, practically in the same situation as Ontario, with reference to water power generated at Niagara Falls and elsewhere, under the control of the Hydro-electric Commission, and at the same time afford rates to the surrounding cities comparable to those enjoyed by the municipalities of Ontario. There are 384 of them, if I remember aright, that are enjoying these advantages, and if I am not mistaken there are not more than three cities in all Ontario in which there are privately owned plants, and in each there are competing public installations.

Consider Memphis, Tenn. It is only 140 miles from Muscle Shoals. Windsor, Ontario, is 215 miles from Niagara Falls. Compare the rates charged in Windsor with the rates charged in Memphis. Ninety-four kilowatt-hours per month costs in Memphis $5.34, but in Windsor 94 kilowatt-hours costs but $1.88.

Mr. President, consider what we could do for the people of this country if we would use Muscle Shoals as an example. That is what the opponents of this investigation fear. They fear that by the adoption of this resolution we will begin to pull out the pillars from under this tremendous capitalization of electrical industries that is swelling every day.

As further evidence of the failure of public regulation, consider the following facts, based on 1925 statistics, afforded for the following cities: The net bill for a consumption of 40 kilowatts per month, furnished by privately owned companies, not by publicly owned enterprises. These privately owned utilities are subject to public competition, either actual or potential.

The data I will now read are some that I have previously prepared.

In Hagerstown, Md., a city of 30,000 inhabitants, the privately owned company utilizes a steam plant, and its charge for 40 kilowatts a month is $2.20.

In Jamestown, N. Y., a city of 39,000 inhabitants, supplied by both water and steam power, the rate for 40 kilowatts per month is $2.

In Lincoln, Nebr., a city of 59,000 inhabitants, they use steam power only. The rate for 40 kilowatts per month is $2.10.

In Springfield, Ohio, a city of some 62,000 inhabitants, steam power only is used. The charge for 40 kilowatts is $2.10.

In Omaha, Nebr., a city of 215,000 inhabitants, steam only is used for the development of energy. In that city they have not had actual competition, but there has been potential competition, and the private company charges $2.20 for 40 kilowatts a month.

In Cleveland, Ohio, a city of 800,000 inhabitants, steam only is used. There is actual competition by the public, and the rate charged by the private company is $2 for 40 kilowatts a month.

The average charge in these six cities for 40 kilowatts per month afforded by privately owned electric-light plants in competition with publicly owned plants is $2.10.

The corresponding charges of the publicly owned plants are not at hand. I am not quoting rates of publicly owned plants; I am quoting rates of privately owned plants, except in the case of Cleveland. There the charge for 40 kilowatt-hours per month by the publicly owned plant is $1.20, the power utilized being steam.

In other words, since 1914 part of the city of Cleveland has been supplied with electrical energy at a maximum rate of not to exceed 3 cents a kilowatt-hour, and the plant is successfully operating to-day. The consequence is that the privately owned Cleveland electric-light plant that formerly charged 10 cents a kilowatt-hour reduced its rates voluntarily to 5 cents a kilowatt-hour, although the courts and the public-service commission of Ohio had held that it was entitled to 10 cents, that a lower rate would be confiscatory.

The following table compares on a percentage basis this six city average and the charge of the Cleveland municipal plant with similar charges in a number of cities throughout the country, all subject to legal regulation.

In Bessemer, Ala., supplied by water power, afforded by the Alabama Power Co., the rate for 40 kilowatts was 45 per cent higher than the six city average, and 155 per cent higher than the rate of the municipal plant in Cleveland.

In Birmingham, Ala., supplied by the Alabama Power Co., using water power, the rate was 46 per cent higher than the six city average rate, and 155 per cent higher than in the case of Cleveland.

Mr. GEORGE. Mr. President, will the Senator permit an interruption?

Mr. HOWELL. Certainly.

Mr. GEORGE. In the case of Birmingham, was the rate regulated?

Mr. HOWELL. I understand that it is regulated by the Public Service Commission of Alabama.

Mr. GEORGE. The Senator refers to the six city rates. Are those rates regulated?

Mr. HOWELL. The rates of the privately owned companies are regulated. There are public-service commissions in all of the States within which the six cities are located, except the State of Nebraska.

Mr. GEORGE. What I wanted to know was, What was the difference between Birmingham and the six cities to which the Senator is referring? Are the plants in the six cities all publicly owned?

Mr. HOWELL. No; the average rate I have quoted for the six cities——

Mr. GEORGE. I am just trying to get the basis.

Mr. HOWELL. Just a moment. The average rate I am quoting for the six cities is the average charged by privately owned plants in those cities where regulation is not necessarily by a public-service commission but through and because of public competition.

Mr. GEORGE. Oh, I see. The Senator means where the municipality itself has a plant?

Mr. HOWELL. Yes. In other words, the rates in these six cities are not the rates of the publicly owned plants. I am simply quoting the rates of the privately owned plants in each case.

Mr. GEORGE. I understand. Now, as I understand, the single city that the Senator first selects is one where there is regulation merely by a commission?

Mr. HOWELL. Yes, sir.

Mr. GEORGE. The six cities are where there may be regulation by commission plus competition of the municipally owned plant?

Mr. HOWELL. That is true.

Mr. GEORGE. And then the other plant is one that is municipally owned outright?

Mr. HOWELL. Yes.

Mr. GEORGE. So that the Senator's investigation leads him to the belief, of course, that if the mere matter of rate is to control it is better to have public ownership of all these utilities?

Mr. HOWELL. Mr. President, for a number of years I have advocated public competition. As an example, in Omaha we secured authority to build ice plants. The rate for delivered ice had been raised from 50 cents to 70 and 80 cents. This was in the midst of the war. We installed ice plants. The result was that immediately, as soon as we began operating, the rate for delivered ice dropped back to 50 cents.

The rate for cash-and-carry ice dropped to 30 cents. Although we could produce but a third of the ice used in the city of Omaha, at 30 cents per 100 pounds, the rate at which we sold to the public, the proceeds of the sale of the ice produced enabled us in seven years to pay off the $700,000 invested in the plants, so that they are to-day "velvet," as it were, so far as the people of the city of Omaha are concerned.

Mr. President, it was our position from the beginning that we did not want to do all the ice business in the city of Omaha. Merely sufficient to regulate rates. In my opinion, public competition is decidedly more advantageous and safer than public monopoly. Public competition could keep the privately owned ice plants good, and they would necessarily keep the publicly owned plants on their toes or they would go out of existence. That has been the result. I am for public competition, not public monopoly. I am for public competition so far as Muscle Shoals is concerned, because if the Government of the United States will operate Muscle Shoals and build transmission lines, deliver energy to the various cities throughout that territory, I know what the result will be. I might here tell the distinguished Senator from Georgia what the result would be in his city of Atlanta.

Mr. GEORGE. Mr. President, I would like to ask the Senator to answer my question.

Mr. HOWELL. In just a moment I will yield.

Mr. GEORGE. If the Senator does not want to yield——

Mr. HOWELL. I will be delighted to yield, if the Senator will allow me to finish. Never mind; I will yield now and take up Atlanta later.

Mr. GEORGE. I merely wanted to know if the Senator's position was the same as respects the country as that illustrated by the ownership of the ice plants. Is it the Senator's theory, then, that the only effective way—the Senator disclaiming Government ownership of all utilities—is to sprinkle about all over the country some publicly owned utilities, so that the competition plus the regulation may bring about the rate? I want to get the Senator's position, that is all.

Mr. HOWELL. Mr. President, the Senator has not been present while I have been discussing this matter, and therefore I will take the liberty of stating an outline of my position.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. HOWELL. I yield.

Mr. GLASS. Of course, the position of the junior Senator from Nebraska is important, but there are others of us in the Senate who have not had the opportunity or the information or the industry to make the investigation which evidently has been made by him. How are we to ascertain, how are we to take positions unless we shall have an impartial investigation of these matters and ascertain the facts?

Mr. HOWELL. Mr. President, that was what I proposed now to state. I have pointed out that the people of this country were paying excessive electric rates. I think I have demonstrated the fact. I have further pointed out and indicated that public regulation has failed, and as a result of that failure and these tremendous rates there has been a pyramiding of capital issues in connection with electric light and power industry.

Inasmuch as regulation has failed, and people are in the habit of paying these high rates, there is only one way to rectify the situation; that is, by agitation, by such an investigation as this, to bring knowledge of these facts to the country. By an investigation of this kind we will also warn investors that they are liable to find themselves buying securities whose issuance is justified only upon the theory that our people will continue to pay these excessive electric rates.

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. The Senator has called attention to the difference between the rates in the United States and the Province of Ontario, Canada. That has been a controverted question in this floor for a long time. It is asserted, for instance, that there appears to be a lesser rate charged in Canada because the energy is developed by a public institution that does not pay any taxes. It is asserted that the rates are higher for domestic service in this country, but that the rates are lower for industrial service. It is said that the Government of Canada is obliged to make up a deficit every once in a while. On the other hand, all these things are denied and controverted. Why should we not have an investigation to find out what the truth about the matter is, so that the Senate can be advised by its own committee?

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. HOWELL. I yield.

Mr. SMOOT. I think it was about three or four years ago when the subject of the rates in Canada was first brought to the attention of the Senate, and these rates were then quoted as being the rates paid in Canada. At that time I had a complete statement, and I have just sent to my office to see if I could locate the papers so as to state just what the examination in Canada demonstrated beyond the question of a doubt. Even if any institution here wanted to furnish electric power at the same rates at which they are furnished in Canada, and could have the Government make up any deficit in the same way the deficits are made up in Canada, I do not think the Senator would approve of that.

I did not know this subject was coming up, but if I can locate the papers I will call the Senator's attention to the result of the investigation that was made. I assure him that if the sworn statements of the investigators, both Canadian and American, are correct, there is no such rate made in Canada to justify the statements made.

Mr. WALSH of Montana. How are we ever to know what the facts are unless an investigation is conducted by the Senate and a committee of the Senate reports to the Senate the truth about the matter?

Mr. SMOOT. I heard over the radio last night the figures now quoted, and it was pointed out that those rates were possible because of Government ownership, and that such rates could be given to institutions and individuals of this country. I want to say to the Senator frankly that when this matter came up, I think three or four years ago, the same figures were quoted, and after an investigation in Canada it was demonstrated that they were not made up on any basis on which an institution in this country could or would operate, and no deficit could be made up unless it came from the investment of the company, and if the plant was operated by the United States, the same as deficits have been made up in Canada, some provision would have to be made to make up deficits, or if it was an individual company it could not operate very long without bankruptcy.

Mr. HOWELL. Mr. President, I will ask the distinguished Senator from Utah what he has to say respecting the electric-light plant in Cleveland, publicly owned, which for the last 14 years has been furnishing electrical energy at a maximum rate of not to exceed 3 cents a kilowatt-hour?

Mr. SMOOT. Mr. President, I have not made any investigation of that, and I would not want to make any kind of a statement until I had made some investigation. But 3 cents is quite different from 1.78 cents. There is a great difference. In fact, it is nearly twice as much, and, as I understand now, there are many of the companies in the United States furnishing energy for power purposes at 3 cents per kilowatt-hour.

Mr. HOWELL. I am not talking about power; the power rate is very much lower in Cleveland.

Mr. SMOOT. Very much.

Mr. HOWELL. I am talking about the maximum rate charged the small consumer.

Mr. SMOOT. Of course, I can not make the statement offhand, because it would be simply a guess on my part.

Mr. WALSH of Montana. I can furnish the Senator the exact information from the city of Cleveland. The Senator from New York, if he will give me his attention a moment, told about rates in Niagara Falls. The average rate in Cleveland is just a little less than 2 cents a kilowatt-hour.

Mr. SMOOT. That is for power and light both.

Mr. WALSH of Montana. Power and light both; as against something over 7 cents for the entire United States.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. HOWELL. I yield.

Mr. BLAINE. I would like to inquire of the Senator from Utah as to the statement I made in the course of my remarks yesterday that the farmer in Wisconsin is paying at the rate of 28.4 cents per kilowatt-hour for the first 25 kilowatt-hours.

Mr. SMOOT. I did not hear the Senator make the statement, I will say, and I can not comment on it.

Mr. BLAINE. I was wondering whether the Senator disputed that statement.

Mr. SMOOT. I do not dispute it. This is the first time I have heard the statement.

Mr. BLAINE. If the Senator had been here yesterday he would have heard it.

Mr. SMOOT. Unfortunately, then, I will say to the Senator, I was not in the Chamber when he made the statement.

Mr. BLAINE. Let me inquire further of the Senator——

Mr. SMOOT. But if 28 cents per kilowatt-hour is the rate the farmer pays in Wisconsin, I will say that I know of no such rate anywhere else in the United States outside of Wisconsin.

Mr. BLAINE. It prevails.

Mr. SMOOT. I say that I know of no such rate, and I never heard of any such rate prevailing anywhere outside of Wisconsin.

Mr. BLAINE. Does such a high rate prevail in Canada?

Mr. SMOOT. No; and I do not think any such rate prevails in the United States outside of Wisconsin.

Mr. BLAINE. I would be very glad to furnish the Senator the information, and I think if he will analyze the rates he will find——

Mr. SMOOT. The Senator from Montana just said that, taking everything into consideration, the average rate for the whole country was only 7 cents. I have never heard such a rate mentioned before as that given by the Senator from Wisconsin.

Mr. HOWELL. Mr. President, I now take the liberty of calling the attention of the distinguished Senator from Georgia to the rates for electrical energy in his State, at least in Atlanta. Electrical energy in Atlanta is furnished by water power. In Atlanta a domestic consumer using 94 kilowatt-hours a month pays $7.61, or at the rate of 8.1 cents per kilowatt-hour.

Mr. GEORGE. Upon what date are the Senator's figures based?

Mr. HOWELL. They are from the 1927 rate book.

Mr. GEORGE. At what time?

Mr. HOWELL. I do not know the month the volume was issued.

Mr. GEORGE. Has the Senator investigated to see whether the utilities commission has reduced the rate since that time?

Mr. HOWELL. I have not; but I dare say there has been no reduction in the rate since the issuance of this volume. I will ask the Senator if he knows whether there has been a reduction made in the Atlanta rate.

Mr. GEORGE. I do not know, but I had the impression that there was a proceeding before the utilities commission relating to the rate. I do not know when the last rate was fixed.

Mr. HOWELL. I am not surprised that there should be a proceeding before the utilities commission in Georgia respecting the rate charged in Atlanta. Atlanta is a city of 228,000 people. It is about the size of the city of Omaha.

Mr. GEORGE. From what census is the Senator now quoting? Atlanta has a greater population than that. I want to be certain that we are just to Atlanta.

Mr. HOWELL. I am quoting from the 1927 rate book of the National Electric Light Association.

Mr. GEORGE. Atlanta has a larger population than that, I will say to the Senator, at least, but I do not know when the last rate regulation went into effect relating to domestic rates.

Mr. HOWELL. According to the population reported by the rate book in question Atlanta and the city of Omaha are about the same size. Atlanta has the advantage of hydroelectric power. Omaha has not that advantage. Omaha's electric energy must be supplied by steam. Ninety-four kilowatt-hours, as I have previously stated, costs in Atlanta under the schedule set forth in the 1927 rate book $7.61, or at the rate of 8.1 cents per kilowatt-hour. In Omaha we have developed a public-ownership spirit. We acquired our water plant in 1912. We built an ice plant in 1919. We acquired the gas plant in 1920. As a consequence, in Omaha 94 kilowatt-hours now cost not $7.61, as in Atlanta, but $5.17.

Mr. WALSH of Montana. Mr. President, I believe the attention of the Senator from Georgia [Mr. GEORGE] was diverted

while those figures were being read. Perhaps the Senator from Nebraska will be kind enough to read them again.

Mr. HOWELL. Atlanta is within 215 miles of Muscle Shoals. It is within the distance of Windsor, Canada, from Niagara Falls. In Windsor, Canada, 215 miles away from Niagara Falls, 94 kilowatt-hours cost not $7.61, but $1.88 only.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. HOWELL. In just a moment. If Muscle Shoals were utilized as Niagara Falls has been utilized by Ontario, Atlanta could have the advantage of the same low rate that Windsor enjoys at the present time, and this investigation is necessary to bring such facts to the people of Georgia and the United States.

Mr. GEORGE. Exactly. Now, will the Senator let me ask him a few questions?

Mr. HOWELL. Certainly.

Mr. GEORGE. Where does Windsor, Canada, get its current?

Mr. HOWELL. From Niagara Falls.

Mr. GEORGE. Is it publicly or privately owned?

Mr. HOWELL. The distribution plant is publicly owned.

Mr. GEORGE. That is, owned by the Dominion?

Mr. HOWELL. It is owned by the city. The power stations and the transmission lines are owned by the hydroelectric commission representing Ontario.

Mr. GEORGE. The Senator committed himself to the proposition that this investigation is needed and necessary in order to get the facts. I agree with the Senator. There is but one legitimate object of the investigation and it must result either in the bolstering up of the demand for the Government ownership of the utilities of the country or in the regulation of those utilities. That regulation itself is certainly the hope of many who speak as frankly as the Senator who now occupies the floor, and will result ultimately in the ownership of those utilities.

Mr. HOWELL. If the distinguished Senator from Georgia takes the position that the only way we can have lower electric rates in the United States is through public ownership, and that this proposed investigation will result in public ownership, then I am for this investigation and public ownership, not as an end but as a means to an end. Wherein we differ is this: I am not afraid of public ownership.

Mr. GEORGE. Why does the Senator insist on comparing the rate of a private company with the rate of a Government-owned company, and why does the Senator from Montana especially direct my attention to that fact? The Senator from Nebraska followed his statement by the unequivocal statement that, therefore, it is necessary to have an investigation in order to get the facts, in order to enable intelligent action.

Mr. HOWELL. Mr. President, I do not want to be discourteous. I have yielded upon every occasion when requested; however, I would like the opportunity now of finishing my statement before I yield further.

The PRESIDING OFFICER. The Senator declines to yield further.

Mr. HOWELL. I will state again that I am not for public ownership as an end. I do not believe in public ownership as an end. I am for public ownership as a means to an end. If we can not accomplish for the people of the country fair and just rates except by resorting to public ownership, I am not afraid of public ownership. I will not throw up my hands. I will fight and fight with public ownership if necessary. I am fearful the distinguished Senator from Georgia is so afraid of public ownership that he is not willing to fight with the means at hand.

Now, let me reiterate that if Muscle Shoals, which belongs to the Government of the United States, were fearlessly taken hold of by Congress, a board of directors appointed to manage it, and supplied with $5,000,000 or $10,000,000 with which to extend transmission lines to various municipalities in its territory, inviting them to put in competing electric-light plants, the city of Atlanta could enjoy as low rates, in my opinion, as those enjoyed by Toronto, or, at least, by Windsor, Canada.

As I said, 94 kilowatt-hours in Windsor cost $1.88, or 2 cents per kilowatt-hour, whereas in Atlanta, Ga., controlled by a privately owned corporation, regulated by a public-service commission, the rate to the domestic consumer is 8.1 cents, or, for a bill of 94 kilowatt-hours, is $7.61.

Mr. President, again I state that the people of the country have the habit of paying enormous electric-light rates. The profits have been correspondingly great. The owners of the electric plants have been trying to perpetuate those profits by capitalizing the companies on the basis of those enormous earnings. They are selling their stocks and bonds throughout the country, hoping that they will secure a large enough clientele to oppose successfully any change in the present situation.

The time has come when the public should act. The State legislatures and the Congress are the only vehicles through which justice can be secured. But in order to obtain action by legislatures and action by the Congress it is necessary to arouse the people of the country, educate them. Whatever may be the view of anyone else respecting the pending resolution, in my opinion its value for that purpose will be enormous. This hoped for effect will be largely defeated, in my opinion, if the investigation is made by the Federal Trade Commission. We ought to fight with the weapons we have at hand to do justice to all the people of the United States.

Mr. President, I will ask permission to include in the RECORD certain statistics prepared by myself which I began to read and did not finish.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum of statistics is as follows:

EFFICIENCY OF COMPETITION

The electric light and power industry affords excellent illustrations of the efficiency of public competition as compared with legal regulation. For the purposes of comparison in this connection, consider a net lighting bill of 40 kilowatt-hours per month. In the following cities the charges for this consumption by the privately owned plants, subject to actual or potential competition, are as follows, viz:

City	Population	Power utilized	Competition	40 kilowatt-hours per month
Hagerstown, Md	30,000	Steam	Actual	$2.20
Jamestown, N. Y	39,000	(?)	do	2.00
Lincoln, Nebr	59,000	Steam	do	2.10
Springfield, Ill	62,000	do	do	2.10
Omaha, Nebr	200,000	do	Potential	2.20
Cleveland, Ohio	800,000	do	Actual	2.00
Six city average				2.10

Thus the average charge for 40 kilowatt-hours per month by the privately owned plants in these six cities regulated by public competition is $2.10.

The corresponding charges of the publicly owned plants are not at hand except in the case of Cleveland. There the charge for 40 kilowatt-hours per month is $1.20, the power utilized being steam.

The following table compares on a percentage basis this "six-city average," and the charge of the Cleveland municipal plant with similar charges in a number of cities throughout the country all subject to legal regulation only:

City	Power utilized [1]	Per cent higher than 6-city average	Per cent higher than Cleveland municipal charge
Bessemer, Ala	Water and steam	45	155
Birmingham, Ala	do	46	155
Montgomery, Ala	Steam and water	43	151
Minden, Conn	Steam	90	233
New London, Conn	do	70	198
Washington, D. C	do	43	150
Atlanta, Ga	Water and steam	64	166
Augusta, Ga	do	71	200
Indianapolis, Ind	Steam	33	133
Portland, Me	Steam and water	52	167
Baltimore, Md	Steam	52	167
Cambridge, Mass	do	62	183
St. Paul, Minn	Steam and water	73	203
Jackson, Miss	Steam	186	400
Great Falls, Mont	Water	24	117
Butte, Mont	do	24	117
Atlantic City, N. J	Steam	119	283
Jersey City, N. J	do	71	200
Albany, N. Y	Steam and water	52	167
Amsterdam, N. Y	do	71	200
Auburn, N. Y	do	84	223
Buffalo, N. Y	Water and steam	14	100
Mount Vernon, N. Y	do	129	300
New Rochelle, N. Y	do	129	300
Poughkeepsie, N. Y	Steam and water	115	277
Newburgh, N. Y	do	115	277
New York, N. Y. [2]	Steam	80	215
Rochester, N. Y	Steam and water	52	167
Schenectady, N. Y	do	63	185
Utica, N. Y	do	50	163
Norristown, Pa	Steam	110	267
Scranton, Pa	do	81	217
Reading, Pa	Steam and water	90	233
York, Pa	Water and steam	72	201
Providence, R. I	Steam and water	57	175
Chattanooga, Tenn	Water and steam	63	183
Knoxville, Tenn	do	89	230
Nashville, Tenn	Steam and water	89	230
Salt Lake City, Utah	Water and steam	54	170
Appleton, Wis	Steam and water	90	233
Milwaukee, Wis	Steam	49	160

[1] "Steam and water" indicates water power is used as an auxiliary. "Water and steam" indicates steam power is used as an auxiliary.

[2] Average for 9 companies.

These data, collected from cities widely scattered and with greatly varying populations, utilizing both steam and water power, certainly indicate that there is something the matter with legal regulation. They also testify to the efficiency of regulation by public competition, and the remarkable possibilities of a well-managed, steam-operated, public enterprise in the electrical field.

Incidentally it may be properly inferred also that water power in the hands of private interests means little to the public, a fact that has animated those who have bitterly opposed the leasing of the great power at Muscle Shoals, constructed at enormous expense with public funds.

Of course, it may be urged that the rates in the six cities enjoying public competition are not compensatory. However, they have been in effect for a considerable time; and, moreover, one of these cities, Omaha, enjoys this low rate not because of actual competition but because of potential competition; that is, fear of public competition. In other words, the private company operating in Omaha, realizing it must afford reasonable rates or be confronted with public competition, voluntarily acquiesced in the rate quoted for that city, to the end of avoiding public competition. Certainly no public-utility corporation would agree to a noncompensatory rate as a result of a mere threat.

Mr. COPELAND obtained the floor.

Mr. WATSON. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. WATSON. I have been wondering if the Senator from Montana will let us see if we can fix a time for a vote. The debate has been running along now for three days, and it is desired very much that we shall bring it to a close.

Mr. WALSH of Montana. I think the debate is coming to a close.

Mr. WATSON. The Senator believes the debate is coming to a close?

Mr. WALSH of Montana. Yes.

Mr. SMOOT. The Senator thought so on Monday.

Mr. CURTIS. Mr. President, may I suggest that speeches from now on be limited to 30 minutes? Senators who have indicated that they want to talk have stated they will not take over 20 minutes. If we limit the speeches to half an hour, we can undoubtedly bring the debate to a close this afternoon.

Mr. WALSH of Montana. I hope I may have the privilege of closing the debate, and I would not want to agree to that.

Mr. WATSON. Does the Senator from Montana think the debate will be concluded by 5 o'clock this afternoon?

Mr. WALSH of Montana. I would think so. Senators who are to talk have assured me that they will speak only briefly.

Mr. WATSON. I am being greatly pressed all the while by the Senator from Utah [Mr. SMOOT], chairman of the Finance Committee, to conclude the matter so that he may have the Senate proceed with the consideration of the alien property bill.

Mr. SMOOT. I want to express the hope that we may vote on the pending resolution to-night.

The PRESIDING OFFICER (Mr. FESS in the chair). The Senator from New York will proceed.

Mr. COPELAND. Mr. President, there can be no doubt of the importance of conserving for posterity the great water powers of America. As time goes on, hydroelectric development is bound to be the one feature which will make life comfortable for those who come after us. If there is one thing I honor the great governor of my State for, it is the fight he has made to preserve the water powers of New York for the people. I venture to say that the waters from Niagara Falls to the Canadian line and all the rivers of our preserves in New York State will be saved for the people. He has set out on his fight to insist upon it that those water powers and hydroelectric developments should be had by the people of New York.

There can be no difference of opinion among us regarding the importance of the subject. But I heard yesterday with amazement the address made by the senior Senator from Nebraska [Mr. NORRIS]. I felt still greater amazement as I read his speech this morning in the CONGRESSIONAL RECORD. It seems to me—and I say it in all kindness and courtesy—that the distinguished Senator has strayed away from his usual bent of mind regarding a matter of this sort. In his address yesterday he made a very bitter attack upon Mr. Humphrey, a member of the commission, and it seemed to me then, and it does now, that he has confused in his mind the attitude of Commissioner Humphrey as against the attitude of the Federal Trade Commission.

I have no brief for Mr. Humphrey. Nobody knows that better than does the Senator from Nebraska. I was one of the 10 Members of the Senate to vote against the confirmation of Mr. Humphrey; I was one of the four Democrats who voted against him; but there are other men upon the commission, and I think it would be a very great pity, indeed, to let the impression go out that we have a commission made up of men who are unworthy of our confidence.

I have here a list of the members of the Federal Trade Commission, and I will ask the distinguished Senator from North Carolina [Mr. SIMMONS] as to one of them. Garland S. Ferguson, jr., a Democrat, from Greensboro, N. C., a great lawyer, who was a referee in bankruptcy. Is he looked upon, I will ask the Senator from North Carolina, as a capable and honest man?

Mr. SIMMONS. Mr. President, I have no hesitation in replying in the affirmative to the Senator's inquiry. Mr. Ferguson was appointed upon the indorsement and approval of both my colleague [Mr. OVERMAN] and myself, and of almost the entire bar in the section of the State of North Carolina, in which he has resided. He comes from one of the most distinguished families of North Carolina. Its members have been distinguished as great judges and great lawyers. His father was for twenty-odd years a great judge of the superior court. Mr. Ferguson himself has been a practicing attorney for many years in North Carolina. He is a brother of the great shipbuilder Ferguson, and his reputation as a lawyer and as a man is equal to that of anybody whom I know in my State.

Mr. COPELAND. I thank the Senator from North Carolina.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. I yield to the Senator from Montana.

Mr. WALSH of Montana. It is not an uncommon thing for a man who has not very much of an argument otherwise to set up a straw man and then knock him down. I am sure the Senator from New York will be unable to point to a single Member of the Senate who has in any wise questioned either the integrity or the ability of Mr. Ferguson. Perhaps we can proceed upon that assumption. Eulogies have been pronounced upon Judge McCulloch, another member of the commission. I have a very pleasant acquaintance with him; we are neighbors. He is a delightful gentleman, and I have no doubt in the world a very honorable gentleman and an excellent lawyer. Why waste time to tell about the virtues of these two gentlemen?

Mr. COPELAND. Mr. President, the Senator from Montana referred to a straw man that is set up to be knocked down. In this instance I assume that I am the straw man who is to be knocked down. However, I think it does have a bearing upon this case and upon what we are going to do with this resolution to know whether we are dealing with a group of men who have or have not integrity, capacity, and ability.

The Senator from Nebraska yesterday excoriated in bitter terms the chairman of the commission, Mr. Humphrey; the Senator from North Carolina has just spoken of Mr. Ferguson; and in spite of the diversion of the Senator from Montana, I am going to venture to ask our distinguished and beloved leader on this side, the Senator from Arkansas [Mr. ROBINSON], whether Judge McCulloch is a man who may be relied upon?

Mr. ROBINSON of Arkansas. Does the Senator from New York desire me to answer his question now?

Mr. COPELAND. Yes.

Mr. ROBINSON of Arkansas. Mr. President, Judge E. A. McCulloch was for 20 years prior to his appointment to the Federal Trade Commission a member of the supreme court, the highest judicial tribunal in the State of Arkansas. During the greater part of that time he was the chief justice of that court. He is a great judge, a man of undoubted integrity, and of recognized ability. He is affectionately regarded by the bar and the people of the State of Arkansas.

Mr. COPELAND. I thank the Senator. I regret that both the Senators from Iowa are absent. If they were here, I should ask them about Mr. Hunt, a Republican from Iowa, who is or was president of the American Farm Bureau Federation of that State, an outstanding citizen, as I understand, and a fair and able man. Mr. Myers we have discussed at great length.

Mr. WHEELER. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the junior Senator from Montana?

Mr. COPELAND. I yield.

Mr. WHEELER. Mr. Hunt was one of those who voted with Mr. Humphrey to dismember practically or to ruin the effectiveness of the Federal Trade Commission. I am sure the Senator from New York ought to ask somebody else to rise and eulogize Mr. Humphrey and tell the Senate that prior to his going on the commission he was an attorney and a lobbyist for the Lumber Trust, and was the attorney for the Republican National Committee when that organization sent its representatives out to Montana to frame a case against me.

Mr. COPELAND. Of course, I will say to the junior Senator from Montana——

Mr. WHEELER. I think somebody ought to get up and eulogize Mr. Humphrey because of his activities in that respect.

Mr. COPELAND. I think the Senator from Montana will have a hard time to find anybody in this Chamber who will eulogize Mr. Humphrey. Certainly I shall not.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. COPELAND. Certainly.

Mr. NORRIS. I am surprised that the Senator is not going to eulogize Mr. Humphrey. I thought the Senator was criticizing me because I did not eulogize him. I do not know that I cast any reflection upon any member of the commission. I think I did not mention any of them by name, except Mr. Humphrey and Mr. Myers, and the only thing I said about Mr. Myers was that he was the gentleman who wrote the opinion of the Attorney General to which reference has been made. I presume he was conscientious in it, but that opinion took away from the Federal Trade Commission the jurisdiction to investigate a part of the subject matter of the identical resolution before us. The Senator wanted me to remain in the Chamber, as I supposed, while he administered a rebuke to me for what I said about Mr. Humphrey, but I did not say as much against him as the Senator himself has said. I do not think, necessarily at least, the question of the honesty or the integrity or the ability or the patriotism of the members of the commission is involved. The Senator is endeavoring to have evidently a sort of testimonial meeting in the Senate; he has been calling on Members of the Senate for testimony with regard to the character and ability of various members of the Federal Trade Commission and other officials of the Federal Government. That may be entertaining, but I can not understand how that will meet the proposition that the Attorney General has held by an opinion, submitted at the request of the Federal Trade Commission, that the commission has no jurisdiction over at least the subject matter of a portion—in my judgment the most important portion—of the pending resolution. That is my main objection.

Mr. WHEELER. We might resolve the Senate into a mutual admiration society of the members of the commission, might we not?

Mr. NORRIS. Yes.

Mr. COPELAND. I am not so sure that I ought to follow the Senator from Nebraska as I did last year, or whenever it was that the confirmation of Mr. Humphrey was under consideration. I heard the Senator say some things then about Mr. Humphrey, and he repeated them yesterday; but he has not excoriated the other members of the commission.

However, it does make a difference what manner of men serve upon the Federal Trade Commission. I take pride in the fact that it was a Democratic administration that gave us the Federal Trade Commission; that is, I did take pride in it until this week.

Mr. WHEELER. And a Republican administration ruined it.

Mr. COPELAND. Now I am told that I must not be proud of it any more because it was ruined by a Republican administration.

Mr. NORRIS. I should like to know who told the Senator that he must not be proud of it any longer. I have not heard such a statement.

Mr. COPELAND. The junior Senator from Montana has just told me that it has been ruined by the Republican administration.

Mr. NORRIS. The advice of the Senator from Montana, so far as I have ever come in contact with it, I have found good; but the Senator is under no obligation to follow it unless he wishes to do so.

Mr. COPELAND. I am very much obliged to the Senator; I am glad that I do not have to follow it. [Laughter.]

Mr. NORRIS. I am glad the Senator has found that out. [Laughter.]

Mr. COPELAND. Mr. President, I did take pride in the fact that there had been made a part of the Government itself the Federal Trade Commission. I have read, or rather reread, with the greatest interest to-day the message of Woodrow Wilson when he appeared before Congress to urge the establishment of the Federal Trade Commission.

In that message Mr. Wilson referred to the fact that "the business of the country has long waited and has suffered because it could not obtain further and more explicit legislative definition of the policy and meaning of the existing antitrust laws," and so forth.

Mr. WHEELER. Mr. President, if the Senator will pardon a further interruption, I assume he has also read the speeches of Al Smith with reference to the Power Trust in New York, has he not?

Mr. COPELAND. I certainly have, and Mr. Smith did not have to come to the Senate of the United States to secure any legislation to make effective his control of the Power Trust in the State of New York.

Mr. WHEELER. I am assuming that he has opposed the Power Trust in New York, has he not?

Mr. COPELAND. He certainly has, and very effectively so.

Mr. WHEELER. He has been advocating, has he not, some kind of Government ownership of the power units of the St. Lawrence River?

Mr. COPELAND. He has, by the State.

Mr. WHEELER. By the State?

Mr. COPELAND. Yes, sir.

Mr. WHEELER. And he is doing it, I assume, for the reason that he feels that he ought to have some kind of control over the Power Trust in the State. Let me ask the Senator further if Governor Smith were President of the United States would he follow that same policy?

Mr. COPELAND. I can not say what he would follow if he were President of the United States.

Mr. WHEELER. I thought the Senator from New York was the spokesman for Governor Smith here on the floor.

Mr. COPELAND. I wish I were; but I have not that high honor.

Mr. President, if the Senator from Montana has finished his speech I will go on with mine.

As I was saying, I have taken pride in the fact that the Federal Trade Commission was organized. The bill to create that commission was presented here by a great Democrat, Senator Newlands, of Nevada. The bill was considered by the Congress during a long period of time. The delightful thing about it is that when Mr. Newlands made his report to the Senate he pointed out the fact that the action of the Senate Committee on Interstate Commerce was thoroughly nonpartisan. As he said, "prominent members of the Republican Party having participated actively in the perfection of the bill." It was a measure which had been given the careful study of prominent Members of the Senate and of the House, and out of it came this important commission.

Now we have reached a point, Mr. President, where we are charged with being controlled by the lobby if we do not vote to have an investigation made by Members of the United States Senate and not by this Federal Trade Commission, which, according to Senators here, is made up of honorable men.

What about the lobby, Mr. President? I read about it, and I hear about it, and I am told about the "high-priced men" who are here in Washington. I must assume that they are here. But, Mr. President, the lobby must regard me as the senior Senator from Montana appears to, merely as a straw man, because I have not been approached by anybody and asked to send this resolution to the Federal Trade Commission. I have been approached by Members of this body, who have appealed to me in the most proper way, the most solicitous way, fearing that I might go wrong, that I might ruin the governor of my State, and he could not be President, and that I could not be reelected to the Senate!

The only persons outside of this body who have approached me have been men who have urged me to vote to adopt the resolution presented by the Senator from Montana. The lobby that I have met, and the only lobby that I have met, has been a lobby seeking to induce me to vote for this resolution, and not against it.

I do not know how other Senators feel about it, but I venture to say that my experience is the experience of every Member of this body. So far as I know, no Member of this body has ever been approached by a member of the so-called lobby. Either there is not any lobby, or else they are not earning their money. At least, so far as I am concerned I have had no contact with them.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. I yield.

Mr. WALSH of Montana. I have on my desk a paper telling of the arrival here in the month of October last of Mr. Josiah T. Newcomb, who I showed was in the employ of the Alabama Power Co. and got $20,000 out of the construction cost of the Mitchell Dam project, who, on his arrival, gave a dinner to the representatives of the press here at one of the expensive clubs of the city of Washington. That was in the month of October last.

Mr. BLACK. Mr. President, who was that?

Mr. WALSH of Montana. Josiah T. Newcomb.

Mr. COPELAND. Mr. President, we will assume that is all so; but do members of the press control the votes of Senators?

Mr. WALSH of Montana. Not at all. They influence public opinion, however, which does control some Senators.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. I yield.

Mr. NORRIS. I have not made and do not intend now to make any charge whatever about anybody on this lobby approaching or influencing any Senator; but the Senator must know that there is now in the city of Washington a great lobby on the water-power proposition.

Mr. COPELAND. I have read it in the newspapers.

Mr. NORRIS. I can cover the Senator up with literature on the subject if I bring it all over here——

Mr. COPELAND. I am glad the Senator is doing it and not some lobbyist.

Mr. NORRIS. But I just happen to have in my desk here a little pamphlet that is going all over the United States, put out, as shown on its face, by this joint committee. I have here a letter containing a whole newspaper page of propaganda sent out by the same committee. This committee, as stated here in print on the front of this little pamphlet that I have, is the joint committee of national utility associations. Its New York office is 420 Lexington Avenue. I understand that this committee has a whole floor down here in Washington. George B. Cortelyou is the chairman of it. Mr. Newcomb, whose name is familiar to most Senators, is one of the managers of it. I have not been there, but I have been told about it by newspaper men; and one newspaper man in particular whom I know, and who is beloved by the Senator from New York, came into my office and told me that he was there, and that they offered to double his salary if he would quit his present clients and go to work for them in the publicity field.

It is not a secret. I think we can mention that without saying that a newspaper lobby is coming here to the Senate and trying to get Senators out and control them. They have more sense than that. These men—who, I presume, draw tremendous salaries and are capable of earning them—would not be so foolish as to meet the Senator from New York on the street and offer him a bribe. That is not the way they get men like the Senator from New York on their side.

Mr. COPELAND. I am so stupid; how do they get them?

Mr. NORRIS. The Senator is not stupid. The ways, perhaps, are outlined somewhat by the circulation of this pamphlet. If it were material, I would take that pamphlet up and discuss the various things that are contained in it. Some of them are direct, and some of them are indirect.

Mr. COPELAND. Just what is the pamphlet?

Mr. NORRIS. The object of it all is to show that the Government must let this great corporation, this Water Power Trust, alone; it must keep its hands off. The Senator from California at the last session stated on the floor of the Senate that this man Newcomb, one of the men who are running this thing down here, stated the amount of money that they had invested—I have forgotten what the figures were—and stated that they were not going to let Congress legislate on such things as Muscle Shoals and Boulder Dam. They do not want anything of that kind to occur.

If the Senator will pardon me just a moment longer, the statements contained in this pamphlet and the statement here on this sheet, being an editorial by the great newspaper writer, Mr. Brisbane, in themselves no one can find fault with. I have read this statement and I think it is a beautiful and able one. The point is that they use every one of those things in a misleading way. They are converting or trying to convert the rank and file of the people of the United States by this kind of insidious legislative propaganda.

Mr. COPELAND. Let me ask the Senator, is not this statement in favor of the Walsh resolution?

Mr. NORRIS. No; it does not say anything about it, and a great deal in this pamphlet says nothing about it. It does it in an insidious way. It does it in an indirect way. It goes on to show the wonderful possibilities of water-power development. It says nothing about who shall do it; but in their argument in the letter in which they send to you, they say, "These radicals are trying to prevent that kind of thing." It is not true, although, of course, every word of the written language may be true.

I will call the attention of the Senator to a statement in this little pamphlet. I am familiar with most of the things that are mentioned here. They are very shrewd in the way they put it up. If the thing were standing alone, no one would suspect, even, that it was propaganda; and the propaganda that is effective is that kind of stuff, put in in connection with something else that is misleading.

Here is a heading "Two beautiful bridges," and just a paragraph. It goes on and says:

In Potomac Park, Washington, D. C.—

I suppose 90 per cent of the people who get this pamphlet have never been in Potomac Park, have never been in Washington, D. C. If that statement were made outside of the other things that go with it, it would not have any effect anywhere; but then it goes on to tell what they are:

In Potomac Park, Washington, D. C., there are two beautiful parallel bridges, built under exactly the same conditions. The plans for both bridges were prepared by the same engineer, the estimated cost for each bridge was $1,000,000, and the time estimated for completion of each was one year.

One of those bridges was built by private enterprise in less than one year and for less than the estimated cost. The other bridge was built by the United States Army in three and a half years and at a cost of $3,250,000.

What they want to convey there is that everything the Government does is a failure. The Senator and all of us are familiar with Potomac Park, and we know that there is not any such thing there as two parallel bridges just alike. They do not say that they are just alike; but what person who has not been to Washington and reads that will not believe that they are identically the same—two bridges just alike? If you pin them down, technically, they will get out from under that.

I took up the matter with the War Department. I have been here for 25 years every winter. I did not know of any such bridges. I have walked and ridden all over Potomac Park. I did not believe there was such a thing, and of course there is not. The nearest thing to it is a wagon bridge down here, and, a quarter of a mile or so from it, a railroad bridge. They are the only two bridges that can possibly be referred to here; and, of course, nobody can compare those two things and say that the cost ought to be equal, or that one ought to be constructed sooner than another.

I only give that as a sample. These other things are samples, and this book is full of just such stuff.

It may interest the Senator to know that on the last page they rake me up and down because I am a radical, they say. In another place they refer to the electric-light rates in Ontario, and they do not tell a lie, excepting that they tell only part of the truth, which is more deceiving than though the entire thing were manufactured and made out of whole cloth.

That is the kind of propaganda that is going on. It is a shrewd propaganda; and that is the way they get the support of such honest men as the Senator from New York, by influencing public opinion, by influencing and buying newspapers, and writing these misleading editorials and stories and accounts of things that are only partly true.

Mr. WHEELER. Mr. President, I think the Senator is entirely wrong when he says that they influence the Senator from New York. Apparently, it is the Senator from Indiana [Mr. WATSON] who is doing the influencing here.

Mr. WATSON. No; I will say to my friend that the Senator from Indiana endeavored to head off debate. What I want to do is to get a vote, and I think the best thing to do is to serve notice that we are going to stay here until we do vote.

Mr. COPELAND. If the Senator from Indiana will sit down, I will finish my speech very soon.

Mr. WATSON. If the Senator from New York will agree to sit down in 20 minutes, I will sit down now.

Mr. WHEELER. I hope the Senator from Indiana does not think the Senator from New York is hurting his cause.

Mr. WATSON. Not at all. The Senator from New York always illuminates every cause to which he addresses himself.

Mr. WHEELER. If the Senator will yield, I should like to suggest the absence of a quorum.

Mr. COPELAND. Oh, no.

Mr. WHEELER. I am going to suggest the absence of a quorum, because I want the Members of the Senate to hear this illuminating speech and discussion that is going on.

Mr. COPELAND. I will not yield for that purpose.

Mr. BLAINE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. COPELAND. For what purpose, may I ask the Senator?

Mr. BLAINE. I want to ask two questions.

Mr. COPELAND. Very well; go ahead.

Mr. BLAINE. I understood the Senator from New York to be asked the question if he was the spokesman for Governor Smith on the floor of the Senate. That question was answered. I want to ask whether the Senator from New York represents the viewpoint and opinion of Governor Smith upon this question?

Mr. COPELAND. The Senator from New York does not. The Senator from New York can speak for himself only. The convention in Houston will determine the matter the Senator has in mind.

Mr. BLAINE. Then, Mr. President, I have one other question. If the Senator from New York was in the Chamber yesterday, he heard me, in the course of my remarks, describe the report that was made by the Federal Trade Commission in response to the Norris resolution, in the course of which remarks I showed conclusively that all that is contained in the report may be found in public documents which any Member of the Senate may read, or in some of the public documents which any Senator might have acquired, and reports of State utility commissions which any Senator might have obtained; that aside from that, and some periodicals available to everyone, the Federal Trade Commission did not subpœna a single witness, did not swear a single witness, did not cross-examine a single witness. Now, I ask the Senator from New York if he is willing to have another request go to the Federal Trade Commission, with the result that the Federal Trade Commission will impose upon the Senate in the same way they did in making the report to which I refer.

Mr. COPELAND. I thank the Senator for his comments and his question. I am assuming that the Federal Trade Commission will carry out in detail the investigation which we ask them to make.

Mr. BLAINE. I would like to ask the Senator this question.

The PRESIDING OFFICER. Does the Senator yield further?

Mr. COPELAND. Mr. President, I do not want to be discourteous——

Mr. BLAINE. Just one more question.

Mr. COPELAND. Very well.

Mr. BLAINE. Does the Senator base his assumption upon the past record of the Federal Trade Commission, or upon a hope that he has?

Mr. COPELAND. On both. Now, Mr. President, I want to speak about the Senator from Nebraska for a moment, if he will permit me. Of course, he has described a black lobby. What has he to say about the other kind of a lobby, the "white lobby"?

I have here a lot of stuff written by Mr. Judson King about political lawyers, and here is a release put out, signed by the Anti-Monopoly League, my old friend George L. Record, president, and B. C. Marsh, secretary. It says:

> Senator WALSH'S resolution * * * met a snag in the reactionary Committee on Interstate Commerce, of which Senator JAMES E. WATSON, of Indiana, is chairman.

Then I find in this same indirect appeal to Senators, seeking to influence them, the following:

> Senator NORRIS challenges the sincerity of the Willis-Madden bill on Muscle Shoals.
>
> "I am proposing to turn it over to you. Why don't you answer my question?" said Senator NORRIS.

Of course, Senators, we were not born yesterday. There will be anti this and pro that. There will be organizations without end that will send out literature. I hope, for the sake of those who send this stuff along, that the Senator from Nebraska reads it more thoroughly than I do. My mail is so filled with legitimate matter that I do not pay much attention to the sort of thing mentioned by the Senator from Nebraska. I prefer to listen to the Senator himself, and when he speaks he does influence me. But certainly the Senator from Nebraska does not believe that Senators here are swayed from the path of duty and that they do wrong things or things which they should not do because of this propaganda. He does not contend that.

Mr. NORRIS. Mr. President, the Senator from New York must not try to convey an idea which I have several times expressly disclaimed. The Senator, while he criticizes what I said yesterday and have said before on this proposition——

Mr. COPELAND. No; I am not criticizing.

Mr. NORRIS. Will have to admit that I have not charged anybody with corruption or dishonesty. I told the Senator how I thought this lobby got such men as the Senator himself. It is the indirect work that has its influence. No man would come up to the Senate and try to buy Senators as you would buy a lot of cattle. He would be in jail before long and could not buy anybody. Even if a man were inclined to sell, he would not sell in that way. That is not the way it is done.

The Senator suggested he was not born yesterday. I suppose he knows that is not the way it is done. But he does know, he certainly must know, of the wonderful influence of publicity through the newspapers and magazines and publications and pamphlets over this country, and he must know that we are influenced by that propaganda indirectly and unconsciously, without knowing it. That is the kind of propaganda that I think is effective and which this lobby is putting out. I have not been down to the headquarters, but I can get the address of the lobby and let the Senator go down and walk through their rooms.

Mr. COPELAND. I do not want it.

Mr. NORRIS. The Senator is not afraid to go down there, is he?

Mr. COPELAND. No; but I do not need to go down there, according to the Senator.

Mr. NORRIS. No; they do not need to send for the Senator, because for some other reason the Senator agrees with them in what they are trying to do. That is said without any insinuation that the Senator is not just as conscientious as I am. I realize there are two sides to every question.

Mr. COPELAND. Has the Senator been affected by this white lobby, the material he has received?

Mr. NORRIS. No; not that I know of. Maybe I have been and do not know it.

Mr. COPELAND. I wonder if perhaps sometimes this lobbying does not have a negative effect. It so happens that the papers I read take the same view the Senator from Nebraska takes. I have seen great editorials in the papers calling upon Senators to vote the way the Senator from Nebraska is voting. I suppose it is a streak of obstinacy in my nature that makes me, when I read such things, take the opposite view!

Mr. NORRIS. I am sorry that the Senator takes that view, because that demonstrates that he is controlled by a stubbornness that I did not suppose ever possessed him. I thought he was a more reasonable man than that. If that is the Senator's nature, and if that is the way to control the Senator, I will know how to advise any lobbyist who ever wants to get him in the future.

Mr. COPELAND. I thank the Senator for his facetious remarks.

Mr. SIMMONS. Mr. President, let me say to the Senator from New York that I thought he was answering the charge which has been broadcast throughout the United States that there was a great lobby here, lobbying with the Senators in the interest of the defeat of this resolution. That charge has been made frequently upon the floor of the Senate.

Everybody understands what is meant when you say that the Senate is being lobbied. You do not by that mean propaganda in the newspapers; you mean individual representatives of these organizations coming here and belaboring Senators in behalf of their view of the question under consideration.

I was very glad to hear the Senator discuss that phase of the matter. If the statement is true, I know nothing about such a lobby. But there is a vast difference between lobbying and propaganda. No man can in this age escape propaganda, both pro and con, unless we abolish the press, abolish the newspapers and magazines, and the other instrumentalities of communication, such as broadcasting by radio. What comes to us through those instrumentalities is propaganda. No man can escape that. No man is to be condemned because he reads the newspapers containing such propaganda. He can not get full information on other matters unless he does read the newspapers. Nobody can charge that if a Senator is influenced by that kind of propaganda he is improperly affected, because that propaganda is indulged in with reference to everything—political candidates, politics, all sorts of industrial schemes and enterprises. There is no way to escape it. But a charge that the Senate is being influenced improperly by lobbyists refers to a thing very different from that. It is upon this latter matter that I would like to hear the Senator further.

Mr. COPELAND. I thank the Senator. He speaks from long experience in the Congress. No man could fail to condemn a newspaper that was colorless upon great public questions. We expect the great papers of the country to express their views. Every Senator reads the editorial utterances and the newspaper articles, and if he has not character enough to resist the stimulation to any improper method or act on his part by reason of this reading, he is not worthy to be a Senator. On the other hand, every Senator seeks advice wherever he can get it, and seeks knowledge wherever he can get it. It is charged that there is a lobby here somehow or other influencing us. I do not know how; I do not know what the methods are; I have not had contact with them, whether it is by the use of tea or coffee, or cigars, or good dinners, or what not; I do not know. But it is absurd to say that any lobby is controlling the votes of this body.

Mr. CARAWAY. Mr. President——

Mr. COPELAND. I yield.

Mr. CARAWAY. I believe the charge was that they gave a dinner to some of the newspaper boys, as I understood the Senator from Nebraska, so I presume that was the insidious lobby which corrupted the press. But may I ask the Senator just one question. As I gather from the statement of the Senator from Nebraska, the thing to which he took exception was propaganda, as he called it, against Government ownership, and the development of certain power at Muscle Shoals, for instance. Is it a crime for the men who hewed this country out from the wilderness as individuals to try to perpetuate society as it was, as individualists, and to oppose propaganda that is going the rounds to try to turn over all the activities of society to the Government? Is that a crime?

Mr. COPELAND. I think not.

Mr. CARAWAY. I had not thought so. Perhaps it is because I am impervious to wisdom, but I have felt that a man was not serving America overwell who continuously pounded into the American people that they were failures, that they were incapable of managing their own affairs, that they were too dishonest to be intrusted with their own government, and therefore that they must surrender it all to somebody who sits in the basement of a public building here and parts his hair in the middle and smokes his cigarette out of the left corner of his mouth, who thinks he knows more about how business should be run in Arkansas and Nebraska and New York than the people who made Nebraska and made Arkansas and made New York. It may be that I ought to shut my ears against that propaganda, but it is going the rounds. I still have confidence in the men and women who made America. I still believe that if too much of the hand of Government is taken off of them they will demonstrate that they can be trusted to run their own affairs. I may be misinformed, but that is my position.

While I am speaking of this matter, I want to call attention to what the original resolution provides. Of course, nobody will contend that a resolution has any power to give the Congress the right to investigate that thing which it has not the right to regulate.

The power to regulate gives the power to investigate. That is where we get the investigating power. The resolution calls for an investigation of the election of every officer in America. It does not say so, but that is its purpose.

Former Senator Lodge at one time had the force bill in charge, and of all things that the people hated in my part of the country it was Lodge and the force bill. We felt like he was striking down our very civilization, and yet he only tried to take over and regulate and control the selection of Representatives in Congress and United States Senators. This resolution proposes to delegate the power to investigate, and necessarily carries with it the power to regulate the election of every officer from constable up or down, and those people who at one time denounced Lodge are now supporting that proposition. Oh hear, Shade, my most humble apology!

Mr. COPELAND. I thank the Senator. May we return to the opposition of the Senator from Nebraska to the ultimate disposition of the resolution? He laid great emphasis upon page 3 of the Walsh resolution, relating to the expenditure of money through the control of the avenues of publicity to influence or control public opinion on account of municipal or public ownership. That is the great thing the Senator from Nebraska has fought for. I have fought shoulder to shoulder with him many times. But there are many other things in the resolution besides that one.

Here it is provided that the investigating group must inquire into the growth of the capital assets and capital liabilities of public-utility corporations, and the method of issuing stocks and bonds, the price realized or value received, the commissions or bonuses paid or received, the extent to which such holding companies or their stockholders control or are financially interested in financial or other corporations, and the relation of the classes of corporations, the holding companies, and the public-utility corporations.

Why, Mr. President, there is a tremendous amount in this resolution besides the thing fought for by the Senator from Nebraska. I think there is ample in it to require the careful study and consideration of experts. I wonder how any Senator, each one of us with a dozen committees and subcommittees, does his work, especially when he has to live in such air as we have in this Chamber. Then, on top of that, think of the proposition to make an exhaustive study of this great problem, to be made by a Senate committee without the employment of the very experts who would be used by the Federal Trade Commission. It is absurd beyond words.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Idaho?

Mr. COPELAND. I yield.

Mr. BORAH. If there is to be legislation upon this subject, the Senate of the United States must study it. It has got to make the investigation. Nobody else can make it except the Senate of the United States and the other branch of Congress if there is going to be legislation, and that, so far as I am concerned, is the only feature of it in which I am interested.

Mr. COPELAND. I fear the Senator from Idaho is not fully conversant with the substitute resolution proposed by the Senator from Georgia [Mr. GEORGE]. His substitute or amendment, as modified, provides for the investigation by the Federal Trade Commission and that a transcript of the testimony shall be furnished to the Senate.

Mr. BORAH. Exactly; and I undertake to say that no investigation for the purposes of legislation can be carried on successfully or effectively except by the body which intends to legislate.

Mr. COPELAND. But the Senator certainly is not going to contend that this body is going to make the investigation? It must of necessity be made by a small committee, and the body as such, the great group of Senators, will have to make the same study.

Mr. BORAH. It is true that it will be made by a committee in the first instance, but that committee has in mind all the time during the investigation the subject of legislation. It makes the investigation and pursues the subject with the ultimate object of legislating. In my judgment no successful investigation could be made for the purpose of legislation except by some one who has in mind the subject of the legislation.

Mr. COPELAND. May I call the attention of the distinguished Senator to the fact that the resolution itself provides for the study with particular reference to what legislation, if any, should be enacted by Congress to correct any abuses that may exist. That is contemplated in the resolution. There is not a thing, I will say to the Senator, so far as I can judge, in turning this investigation over to the Federal Trade Commission that can possibly do away with the gathering of such material as we will need in formulating legislation.

Mr. BORAH. We have made a good many investigations here of subject matters as to which I was doubtful as to our jurisdiction, but we are all of 15 or 20 years behind with reference to this particular subject in the way of legislation. If there is any subject about which we ought to be informed and about which we will have to be informed and about which we will have to take the trouble to inform ourselves, it is this matter, for the purpose of legislation.

Mr. COPELAND. But the distinguished Senator from Montana [Mr. WALSH], who has given thought to this matter for years, has formulated in his outline of program exactly what subjects should be followed by those who investigate, and he did it with reference to legislation. That is the purpose of the proposed investigation.

Now, the other matter which excites the Senator from Nebraska [Mr. NORRIS] is with reference to the question of whether there is propaganda to defeat public ownership. On that subject, except when we come to natural resources like the powers of great rivers, such as the Tennessee River and the Colorado River, I must part company with the Senator from Nebraska, because I do not believe in public ownership and operation.

Mr. NORRIS. Mr. President, let me say to the Senator that regardless of what the Senator believes he must admit, and I know he will admit, that whether the development and distribution of electric power and current should be carried on by privately operated corporations or by municipalities owning the plants of distribution and of generation, there is involved a question of tremendous importance. I care not which side the Senator is on. For the purposes of investigation, for the purpose of ascertaining what is the truth, no matter which side we are on, if we are going to investigate at all, we ought to ask for a fair and honest investigation.

That particular provision in the resolution calls upon the committee to ascertain whether the alleged trust, which is reaching out into every community in the United States, is spending money and using influence for the purpose of controlling means of publicity, like newspapers, and so forth, on that question. The Senator may not agree with me as to whether a municipality should own its electric-light plant and its distributing system; but if there is a contest on and it is claimed that these private corporations are doing what we have described here, such as the private corporations did in California to control an election, spending money to buy men, to influence and control newspapers, either directly or indi-

rectly, then we must admit that is a proper subject for investigation in order to get the truth, no matter which side we are on.

We ought not to quarrel about knowing what the truth is. When it comes to that, we may get together in agreement or we may still disagree, but at least we ought not to object to the American people having the evidence. The Senator, it seems to me, must admit that. It is not a question of whether we believe in Government or municipal operation of electric plants. It is a question of whether, under existing conditions, there are not some unfair methods being used, some money being spent. We want the light to shine in, we want the truth, and the Senator himself, as I understand it, admits that that part of the resolution will drop if the matter goes to the Federal Trade Commission, because the Attorney General has already decided that they have no authority to investigate that subject.

Mr. COPELAND. Of course, I am not competent to discuss the legal aspect of the case. I have given emphasis to this particular matter, because that is one thing where there may be some doubt as to the effectiveness of the resolution. That question was raised by the Senator from Nebraska. I recognize that, and as to whether money is so used or not, I think we ought to have the information. I am hopeful that there will be no failure to get it through the means provided by the resolution as proposed to be amended by the Senator from Georgia [Mr. GEORGE]. But this is one matter where there seems to be some question of doubt.

However, Mr. President, there is plenty of work to be done by the Federal Trade Commission and plenty of material to be brought out for the use of this body. I want to see the investigation made. I want to find out what abuses exist. But I do not want to have unfavorable and unjust publicity given until the facts justify it. Certainly it is not right to have an attack made upon any branch of this great industry unless it is an attack which is well founded.

We have, so far as the further proposal of the resolution is concerned, that paragraph which relates to the election of Members of this body. We have a very efficient committee thoroughly qualified to take care of the problems involved there, and I am sure the committee headed by the Senator from Missouri [Mr. REED] will take care of that particular aspect of the question.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. COPELAND. I yield.

Mr. BORAH. May I say that I should like to see the resolution stripped as nearly as possible of those matters which to my mind do not and will not throw very much light on legislation. In other words, I should like to see the investigation made with an eye to the future rather than the past. Even if things have transpired which ought not to have transpired, I should be interested in them only for the purpose of legislating in regard to them in the future. The men who have pioneered this great industry have taken great risks, and I presume when they had an opportunity they have taken great rewards. But I am not so much concerned about that as I am about what we shall do in the future. They have built up a great industry, and it evidently can not go along in the future without some regulation, some laws by which it shall be governed. The investigation ought to be made with that object in view. I assume that if made by the Senate it will be made with that object, and that object practically alone.

Mr. COPELAND. Does the Senator question if it were made by the Federal Trade Commission that it would not be made with that object in view?

Mr. BORAH. No; I was rather answering the proposition of what seemed to be the inference, if not the direct statement of the Senator, that if it was made by the Senate it would be made for the purpose of exposing the situation rather than for the purpose of getting at the real facts.

Mr. COPELAND. The Senator knows very well that whenever a Senate committee is appointed, immediately there is a furor; and every time the Senate committee meets there is sent out a whole lot of what the Senator from Nebraska calls propaganda. In consequence, great damage will be done to the utility companies of the country which are honest companies. I do not care anything about the other kind, but certainly some of these utility companies are honest.

The Senator from Georgia [Mr. GEORGE] yesterday brought out the amazing fact that the life-insurance companies of the country have a billion dollars invested in these securities and the savings banks have $500,000,000 invested in them. Certainly the Senator from Idaho does not want to have a sensational hearing. I do not care what the purpose of the Senate may be, and I do not care how high-minded would be the Senators upon the committee—and they would be high-minded—yet nevertheless the fact that the Senate had appointed such committee would in itself be a sensational thing which would be heralded to everybody as an attack upon the utilities of the country.

Mr. BORAH. My opinion is that if the Senate committee did not find anything sensational, within 48 hours after the session convened there would be no newspaper men in the room.

Mr. COPELAND. That may be true.

Mr. DILL. Does the Senator think that the investments of the life-insurance companies and of the banks will be permanently or seriously impaired by an investigation of this kind?

Mr. COPELAND. Yes; they will be seriously impaired but not permanently impaired.

Mr. DILL. They can only be seriously impaired if the financing is such as to cause serious impairment.

Mr. COPELAND. No; I do not agree with the Senator.

Mr. DILL. They are not supposed to be trafficking in and buying and selling their securities, and it is only those persons who are doing so who will be hurt.

Mr. COPELAND. The very fact that such an investigation is started would in itself adversely affect the paper value of these securities, and the Senator knows it. That condition would not be permanent, of course, but why unnecessarily impose any such embarrassment?

Mr. WALSH of Montana. Mr. President, will the Senator yield to me?

Mr. COPELAND. Yes.

Mr. WALSH of Montana. Is the Senator able to tell us how much the investigation of the oil leases affected the current values of the securities there involved, such as the Pan-American Co. stock and the Mammoth Oil Co. stock?

Mr. COPELAND. No; I am not.

Mr. WALSH of Montana. I can tell the Senator that it did not affect them at all until the sinister character of the transaction was exposed.

Mr. COPELAND. But I may say to the Senator that when we are dealing with public utilities, going into every State, into every county, into every municipality, into every locality, we are dealing with an entirely different thing than the oil business.

Mr. NORRIS. I agree with the Senator——

Mr. COPELAND. I am glad of that.

Mr. NORRIS. In that we should not do anything that would interfere, if we could avoid it by a straight, honest course, with those who hold the bonds and stocks of these intermingled, intertwined, and interlocked corporations controlling the electric light and power situation; but I want to submit to the Senator that I presume it is his knowledge as well as my knowledge and the knowledge of every other person who has given any consideration to the question that electric-light plants in little communities away out in the country, in little villages and little towns as well as cities are being purchased at fabulous prices. The Senator from Washington [Mr. DILL] to-day told us of a transaction in his home town of Spokane, Wash., where stock which was selling at $110 was actually bought by the Electric Bond & Share Co. for $230. I know in my State that numerous municipally owned and also privately owned electric-light plants in little country towns have been sold for three times what they are worth.

These properties are going to be given a fictitious value and used to float bonds and stock to be sold to the unsuspecting public. Would it not be a good thing if the truth were known and people were kept from investing their savings and their hard-earned and honestly-acquired money in ventures of that kind which must certainly collapse?

Mr. COPELAND. I think the Senator is right; but before that information is given to the public or suspicion of it is aroused in the minds of the public we should have the facts. That is the one great reason why I am in favor of having the investigation made by the Federal Trade Commission. Their's is always an unsensational procedure.

Mr. NORRIS. But I think the Senator from New York must agree with me that the particular part of the resolution as to which the Attorney General has decided the commission has no jurisdiction is the part of the resolution under which the information would be obtained as to whether these great corporations have expended money for the purpose of controlling sentiment and buying newspapers in order to enable them to purchase various small plants.

Mr. COPELAND. I know that that is the view the Senator from Nebraska takes. He makes that the heart of the resolution.

Mr. NORRIS. I think it is.

Mr. COPELAND. I do not think so. Consequently, we are not on common ground.

Mr. NORRIS. I understand that the Senator does not give that part of the resolution the importance that I do. He may be right about that and I may be wrong, but the Senator must admit, I think, that some importance should be attached to that part of the resolution.

Mr. COPELAND. Oh, yes; I do.

Mr. NORRIS. And the Senator agrees with me that we ought to have the information called for in that part of the resolution?

Mr. COPELAND. But the Senator knows there is——

Mr. NORRIS. The only way to get it, as I understand, is to pass the Walsh resolution and have a committee of the Senate rather than the Federal Trade Commission make the investigation.

Mr. COPELAND. I do not suppose the Senator and I are far apart. But I want to give him the other side of the shield about the buying up of these small plants. I have personal knowledge of a number of municipalities where there were publicly owned electric-light plants which failed in their operations. Why? Because they could not afford to have the trained experts to operate them. They were bought up and taken off the hands of the municipalities by near-by more powerful electric-light companies. There have been such consolidations, and frequently they have been beneficent and valuable. It works both ways.

Mr. NORRIS. It may be that there are such, and I have no doubt that there are a great many plants sold for a fair value, but the Senator heard the Senator from Washington [Mr. DILL] to-day give as an illustration a transaction which occurred in Spokane. I have personal knowledge of another transaction which has to do not with a municipally owned plant but with a private corporation owning an electric plant in a little town of about 3,000 people. Along came the representative of the so-called and, as I believe properly called, Electric Light Trust. He went into the office of the man who practically owned the little plant. It was the first time, so far as he knew, that the representative of the trust had ever been in the town. The owner of the plant was asked what he would take for it—he owned practically all the stock—and he gave a figure without intending to have the other man accept it. He gave him a figure that he thought was so much more than the value of the plant that he considered it would end the entire conversation; but, to his surprise, the man accepted the offer and gave him the money. He has been kicking himself ever since that he did not ask $25,000 more, because he thinks he could have obtained it just as well. However, he sold the plant for twice what it was worth. Somebody has got to pay for that. It seems to me that if that plant and other plants like it are going to be put into a great corporation and stocks and bonds issued on such transactions, the people of the country ought to know it, and we ought to know it if we want to legislate upon the subject.

Mr. COPELAND. Let me say to the Senator from Nebraska that if I did not believe that there are abuses, if I did not believed that there are things which should be corrected, I would be against any kind of an investigation.

Mr. NORRIS. So would I.

Mr. COPELAND. But it is because I think there are such abuses and I want them discovered and the responsibility fixed that I desire an investigation to be made. So the only difference between the Senator from Nebraska and myself is as to how the investigation should be carried on. It is my judgment that it is better that it should be conducted by the Federal Trade Commission than to have it conducted by a committee of the Senate. But I will not go into that question at any greater length now.

Mr. DILL. Mr. President, will the Senator yield for just one question?

Mr. COPELAND. I will yield for a brief question, but the leaders are scowling at me and hinting to me that there are Senators who wish to catch the train at 6 o'clock for New York, and so forth, and I must conclude.

Mr. DILL. Does the Senator think that if the oil investigation had been conducted by the Federal Trade Commission the facts would ever have been unearthed which were disclosed by the Senate committee?

Mr. COPELAND. I do not know whether they would or would not. I wish to say that I think the Senators who conducted the oil investigation deserve the thanks and applause of the people. Whether the investigation in the form proposed by the pending amendment will fail or not is a question, of course, but I do not think so or, of course, I would not vote for the amendment. The same doubt attaches to the Walsh proposal.

Now, Mr. President, I am going to close in the words of the Senator from Nebraska. I made him my text and I will make him my peroration. Yesterday he said:

> Why should electric-light rates and the items that go to constitute them be secret? Why should the light that comes from the power in the rivers and the lakes, and from the bosom of the earth, in the shape of coal, be turned over to a few multimillionaires and the people be kept in ignorance of how they are being deceived with their own money and how they are being overcharged not for the luxuries but for the necessaries of life. This trust will reach into every home; it will affect every person—man, woman, and child—at least who is living a modern life in a modern home. There is no escape. Should they not know whether they are being overcharged?

Mr. President, there is not any question about that. So, for my part, I believe that the investigation should be inaugurated. But I think it is the part of wisdom for the Senate to turn it over to the Federal Trade Commission, because that body is organized for this very sort of work.

If that commission is not worthy of trust, if we do not have confidence in it, if we do not believe in it, if we have any doubt of the integrity of the men who serve on that commission, we ought to abolish it. I should not think much of a Senator who would vote one dollar of appropriation to continue the Federal Trade Commission unless it is worthy of our confidence, and, certainly, so far as I am concerned, it has mine. Therefore, I shall vote for the George amendment to the Walsh resolution.

Mr. WALSH of Massachusetts. Mr. President, I well realize the state of mind of the Senate at this hour, and I regret that I must ask the indulgence of Senators while I present some observations which I entertain on this important public question. I hope they will be charitable enough to me to concede that I am not responsible for the protracted debate which has taken place this afternoon.

Mr. President, the importance of the question now before the Senate is so great that I feel it my duty to state the reasons for the position which I expect to take.

The Senate has debated for days the pending resolution, and no Senator has undertaken to say that an investigation of the public-utility corporations should not be had; indeed the Senator from Georgia [Mr. GEORGE], who is leading the opposition to the resolution in the form recommended by its author, has stated that there should be an investigation, and that the result of that investigation may be either Government ownership or national regulation of the public-utility industry.

The Interstate Commerce Committee of the Senate has made a unanimous report favoring an investigation.

Indeed, the representatives of these public utilities have said that they welcomed an investigation, but their only concern was that it should be a fair one.

Mr. President, in view of these facts, the real question and indeed the only question before the Senate is whether the Senate will conduct the investigation or whether the Federal Trade Commission shall be directed to reopen a subject which it has already investigated.

For myself, I shall vote against the proposal to refer this investigation to the Federal Trade Commission and give my hearty support to the resolution in the form in which it was unanimously reported by the Interstate Commerce Committee, subject to such perfecting amendments as may be necessary and which will provide for an investigation by a committee of the Senate.

Mr. President, I do not intend to discuss the merits or demerits of the Federal Trade Commission.

In my view of the matter the question is solely whether the body which is charged to legislate shall make its own inquiry or whether it shall delegate, what I consider to be its duty in the matter, to a commission which is charged with no legislative duty; or, to put it otherwise, to a commission which shall inquire and investigate and study this important problem, but have no voice, no part, and no spokesman in this body who has been connected with the investigation, to shape possible future legislation by the Senate.

I concede it is quite proper and necessary for Congress to create commissions and bureaus to regulate and investigate for it, but there comes times and questions which are of such supreme public interest that it is the duty of the Congress and not a bureau to act for the American people.

No one questions the enormous importance of this question. We are dealing with an industry of mammoth extent and constantly enlarging, expanding almost overnight into one great industrial unit, which is no longer confined to the borders of any one State, which reaches into every avenue of life and business, which affects some of the most essential necessities of human existence and development. It is an industry which by common consent is designated a "public utility" charged with a great public interest.

Mr. President, what objection has been raised to an investigation by the United States Senate? Is it charged that it will

not be thorough? Is it charged that it will not here be conducted by men of ability and integrity?

No such charge has been leveled, but the innuendo has been very plain; it is that the investigation might be too thorough and too searching, because it has been recognized on every hand that if an investigation is had by the Senate it will be conducted by the author of this resolution who is now known from one end of the country to the other as a diligent, fearless, astute, incorruptible searcher of the truth and exposer of public corruption.

There is another innuendo; it is that it will not be fair, which amounts to saying that appointive public officials are more likely to protect the public interest than the duly chosen officials of the people.

This innuendo is a challenge to democratic institutions. Developed to its logical conclusion, the Senate of the United States ought to be composed of appointed public officials rather than elected representatives of the people.

I grant that an investigation by the Senate will be more spirited, intense, partisan if you please, than one conducted by a commission. I admit that instead of a unanimous report by a commission we may get a majority and minority report by a Senate committee.

I concede that an investigation by the Senate will be more open and public than one conducted by a commission. But wherein is all this incompatible with the public interest?

Is not the success and progress of our free institutions due to the fact that we approach public questions and argue them spiritedly, from different viewpoints and apply a widely separated political philosophy to their final solution?

Is there any safer guaranty for the future? Has there been any more helpful contribution to the wisdom of the legislation in the past than the fact that it was the direct and net result of argument and strenuous contention by rival political thought and leadership—jealous only of which political group could most safely interpret the public will and promote the general welfare?

I refuse to admit that a militant majority and minority political representative government is a detriment and incapable of investigating great public questions that are fraught with tremendous consequences to the prosperity and happiness of the American people.

Mr. President, perhaps it may be suggested—indeed it has been—that the Senate is prone to too many investigations.

I challenge any Member of this body to rise now and point to any investigation which has been had by the Senate in the past and to say in the light of disclosures which such investigations produced that they should not have been had.

Will you say the so-called oil investigation, the Veterans' Bureau investigation, the slush-funds investigation have not been a benefit to the public and that they could have been better conducted by an appointive tribunal?

Mr. President, from the standpoint, then, of its importance, of its magnitude, of its far-reaching effect, of the tremendous growth of these public utilities before we have had time to stop and control our amazement, I assert this investigation is a responsibility and duty which the Senate can not delegate to a subordinate department of the Government.

Mr. President, last summer I wrote to the Federal Trade Commission asking them to furnish me with certain information. I read the letter I received in reply. The letter is dated August 29, 1927:

> MY DEAR SENATOR: In the absence of Commissioner Myers, I am writing to acknowledge your letter of August 23 with respect to economic consequences of the federation of capital of the leading industries of the country.
>
> Dr. Francis Walker, the commission's chief economist, who is in charge of this investigation, is away and is not expected back for about a week, at which time your letter will be brought to his attention.

Since that time I have received no information from the Federal Trade Commission. I do not say that in criticism of the commission, because perhaps it is my fault that I did not follow up my inquiry with another letter to the commission; but I was prompted to write that letter because of the great public attention I saw being attracted to the question of federation of finances and of industry and the many disastrous consequences resulting to the consumer, the investor, and the employee. If any Senator does not consider this an important question, I ask him to consult the files of the Congressional Library. Indeed, the grip this question has to-day upon the public mind is tremendously far-reaching.

Mr. President, the underlying question here is the financial structure of these utility corporations. Is the public interest being properly safeguarded?

You may complacently tolerate without protest the reckless financing of corporations that deal with purely private businesses. You may possibly permit the people to be exploited and their securities made worthless through a general system of overcapitalization. But when it comes to a great public utility, you and I can not escape the responsibility of protecting the three public interests involved:

First, the consumer, who, if dishonest capitalization exists, must pay a higher price for the products of such corporations.

Secondly, the investor, who will find, as thousands of them have found, that their stocks and bonds were worthless because of the extensive and unchecked system of stock inflation that has gone on in this country. The extent of this not long ago led a public man—none greater in this country—to say that the amount of money made from stock watering in this country aggregated a larger sum than all the larcenies, all the defalcations, all the robberies, and all the embezzlements since Columbus first landed in America.

Thirdly, the employees of these inflated corporations.

You may say it is none of our business when this occurs in the so-called private industries; notwithstanding the serious hardship consequent to the people who work for these industries, because their wage is measured after the profits upon an inflated instead of an honest capitalization and an honest investment in the industry. You can not take such a position if the corporation is performing a semipublic service.

A recent magazine article is quoted in reference to finance juggling in New York as follows:

> It has been estimated by the Secretary of the Treasury that over $1,700,000,000 annually is taken from the public by stock frauds. If these figures include losses from fake mines and oil prospects, stock-market gambling, bucket shops, and double and treble commissions paid for rigging markets and faking market sales, exorbitant promotion profits, watered stock and inflated balance sheets, fake reorganizations of defunct business, freeze outs, memberships in empty mutual-welfare corporations, fake guaranties against stock losses, bonds secured by uncompleted or vacant buildings, certificates of anæmic investment trusts, forged trade acceptances, as well as the thousands of varieties of badly conceived ventures floated chiefly on air, then this estimate is over modest.
>
> Out of 150 questionnaires sent out haphazardly by the attorney general's securities bureau, and returned by corporations, 28 revealed fraud in the sale of stock and handling of corporation assets.
>
> An investigation of the Consolidated Stock Exchange disclosed that its brokers in August, 1925, were short over $3,000,000 worth of securities out of $12,000,000 pretended to have been bought for the public. This $3,000,000 was "cleared" out of existence by an ingenious bookkeeping system of offsetting purchases by a fiction called "loans to brokers."

Mr. President, I consider this—and I do not hesitate to say so—a public and political question of the highest, if not of supreme, importance in America to-day.

Mr. President, some political party some day in this country must go forward and say to the unorganized millions, "We will protect you against unjust and unfair exploitation and extortion by those who have been able to gather together huge sums of money, and whose power is so mighty that even public officials shake and tremble in their presence."

I am not opposed to big business. I am against Government ownership of private business. For seven years in the Committee on Finance I have demanded, and I now demand, a reduction in the taxes of the more than 100,000 small, struggling corporations of this country that are to-day penalized by an increase in their corporation income taxes. It is dishonesty in business that I oppose and condemn. It is unfair discrimination against little business by big business that I protest.

If you are not interested, Senators, let me assure you the average business man is interested, for he sees ahead of him a vacant store and a vacant place in business life. If you are not interested in this problem of federation of capital, you will find that it is of interest to the independent manufacturers who are asking us to protect and save them against the improper methods and the unfair competition that they have suffered from these great combinations of wealth.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. After I finish I shall be glad to yield.

Let me now read to Senators on this side what the Democratic platform in 1924 said on this subject:

FRAUDULENT STOCK SALES

> We favor the immediate passage of such legislation as may be necessary to enable the States efficiently to enforce their laws relating to the gradual financial strangling of innocent investors, workers, and

consumers, caused by the indiscriminate promotion, refinancing, and reorganizing of corporations on an inflated and overcapitalized basis, resulting already in the undermining and collapse of many railroads, public service and industrial corporations, manifesting itself in unemployment, irreparable loss, and waste, and which constitute a serious menace to the stability of our economic system.

Mr. President, I appreciate that some Members on this side of the Chamber take a different view of this matter and assert that the Federal Trade Commission and not the Senate ought to conduct this investigation.

It may be that when the vote is taken a majority will so view it.

In such event, I have every hope that the assertions that have been made here that the Federal Trade Commission will make a thorough investigation will prove to be true.

But it is entirely obvious that investigations will deal with past political adventures of these utilities, and that the activities of the "lobby" of which we have heard so much will continue.

Whatever kind of investigation we conduct, let us do something here and now to bring for all future time invisible government into the open, so that our people—the unorganized and unselfish millions who place confidence in our capacity to keep their Government free from selfish and contaminating influences—may know who are here advising and urging us as to our attitude on all questions that relate to the regulation of great predatory interests.

This hour and this issue emphasizes once more the necessity of bringing from under cover and into the open the selfish influences that seek to promote or defeat pending legislation.

Mr. WATSON. Mr. President, I want to find out whether we can not come to some kind of an agreement as to when we shall vote on this resolution. Would it be agreeable to the Senator from Montana to fix the time to vote at not later than 3 o'clock to-morrow afternoon, he to have one hour to-morrow?

Mr. WALSH of Montana. Mr. President, I dislike very much to place any limit on debate in this matter. I think the debate is coming to a close.

Mr. WATSON. The Senator said that to me day before yesterday, and said it again yesterday, and said it again to-day. Debate has not come to a close, and I see no apparent indication that the debate will come to a close unless we fix a time to vote.

Mr. WALSH of Montana. I have taken pains to make inquiry, and I know of only two Senators who desire to talk on this side, who have both said they would talk briefly. As I said before, I trust that I may be accorded the privilege of closing the debate, and I do not like to be limited in my time.

Mr. WATSON. The only point about it is that I am informed that two or three Senators want to leave the city, and that the debate may be prolonged to-morrow for the express purpose of giving them an opportunity to come back. I do not think that is fair treatment of the Senate, when we have now before us so many great problems to consider.

Mr. WALSH of Montana. I quite agree with the Senator. Some of the supporters of the measure on this side of the Chamber are desirous of leaving the city this evening, and they are extremely hopeful that we may be able to reach a vote to-day.

Mr. DILL. Why can we not stay here and finish the debate to-night?

Mr. HEFLIN. I was just going to make that suggestion.

Mr. DILL. Why do we have to adjourn every day at 5 o'clock?

Mr. WATSON. We do not. If the Senate will stay here, and Senators will remain until we take a vote, personally I shall be very highly pleased. I shall be glad if the Senator from Montana will be permitted to speak his hour, because he told me a while ago that he would like to have an hour to conclude the debate, and he is entitled to that time. I think it is the duty of the Senate to remain here until the vote shall have been taken and this matter shall have been finally disposed of. So far as I am concerned, as the chairman of the committee, I intend to insist that we do remain here until the vote shall have been taken.

Mr. FESS. Mr. President, will the Senator yield before he sits down?

Mr. WATSON. Certainly.

Mr. FESS. As a member of the committee, I did desire to speak briefly on the resolution, but if we can vote to-night I will very gladly forego the opportunity.

Mr. WATSON. That is very kind of the Senator. I hope others will be as considerate.

Mr. HEFLIN. Mr. President, I agree with the suggestion of the Senator from Indiana. We have farm relief legislation pending here. We hope to dispose of Muscle Shoals at this session of Congress if it is possible to do so. I submit that we have devoted considerable time to the consideration of this question. It seems to me that this question has been pretty thoroughly discussed in the Senate. Able speeches have been made on both sides. Most of the Senators are ready to vote.

I do not think we ought to adjourn now and carry this matter over into the session of to-morrow. Let us stay here until 8 or 9 o'clock to-night and be through with it, and take up these other measures and go on with the legislative work of the Senate.

Mr. JOHNSON. Mr. President, I have taken no time on this matter, and I have no desire to do so now. I do not want to talk upon the subject matter, so far as that is concerned. But I do think that the importance of this resolution will warrant us in taking an unusual course in respect to it, and I can not for the life of me see why upon a matter of this extraordinary importance it is essential for us to remain here until midnight to dispose of it. I therefore suggest that if we can we agree by unanimous consent upon an hour for a vote at such time as may be convenient to those who are present, and permit those who desire to speak upon the resolution to be heard.

I suggest to the Senator from Indiana and to the Senator from Montana that it might very readily be that an agreement by unanimous consent for a vote upon the resolution could be had, and that that should be done. There is no use, it strikes me, to punish some of us by keeping us here indefinitely upon this matter. Beyond that, the importance of the matter, I think, would justify us in reaching some sort of an agreement.

Mr. CURTIS. Mr. President, I suggest that we reach an agreement to vote at not later than 4 o'clock to-morrow.

Mr. WATSON. That is entirely agreeable to me.

Mr. ASHURST. Mr. President, I object to that.

The VICE PRESIDENT. There is objection.

Mr. WALSH of Montana. I trust the Senator will withdraw his objection.

Mr. ASHURST. I will not withdraw it, Mr. President. I want to vote on the resolution, and I can not be here at 4 o'clock to-morrow.

Mr. CURTIS. Can we not agree that debate shall be limited?

Mr. WATSON. May I inquire whether the Senator from Arizona will be here the following day?

Mr. ASHURST. I think I will just object to a vote to-morrow at 4 o'clock.

Mr. HEFLIN. Mr. President, let us make it 5 o'clock to-morrow.

Mr. JOHNSON. I am agreeable to the suggestion, although I have nothing to do with the fixing of the time to vote, I recognize, but if the Senator from Arizona, for instance——

Mr. ASHURST. I have no objection to voting at 5 o'clock on Saturday.

Mr. WATSON. I have. I think the only thing to do is to proceed with the debate now.

Mr. HARRISON. That is right; let us go on.

Mr. JOHNSON. I disagree. I move that the Senate take a recess until 12 o'clock to-morrow.

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. In his absence I withhold my vote.

Mr. NORRIS (when his name was called). I am paired with the junior Senator from Arkansas [Mr. CARAWAY], who is necessarily absent, and therefore I withhold my vote.

The roll call was concluded.

Mr. TYSON. I have a general pair with the Senator from West Virginia [Mr. GOFF], who is absent. I therefore withhold my vote.

Mr. GERRY. I wish to announce that the junior Senator from South Carolina [Mr. BLEASE] and the junior Senator from Utah [Mr. KING] are necessarily absent, and that these Senators have a general pair.

The result was announced—yeas 42, nays 44, as follows:

YEAS—42

Barkley	Ferris	McKellar	Shipstead
Bayard	Frazier	McLean	Steck
Bingham	Glass	McMaster	Steiwer
Black	Gould	McNary	Swanson
Blaine	Greene	Neely	Tydings
Borah	Hale	Norbeck	Wagner
Bratton	Harris	Nye	Walsh, Mass.
Brookhart	Hayden	Oddie	Walsh, Mont.
Capper	Howell	Overman	Wheeler
Cutting	Johnson	Reed, Mo.	
Dale	La Follette	Sackett	

NAYS—44

Ashurst	George	Metcalf	Shortridge
Broussard	Gerry	Moses	Simmons
Bruce	Gillett	Phipps	Smith
Copeland	Gooding	Pine	Smoot
Couzens	Harrison	Pittman	Stephens
Curtis	Hawes	Ransdell	Thomas
Deneen	Heflin	Reed, Pa.	Trammell
Dill	Jones	Robinson, Ark.	Warren
Edge	Kendrick	Robinson, Ind.	Waterman
Edwards	Keyes	Schall	Watson
Fess	Mayfield	Sheppard	Willis

NOT VOTING—8

Blease	du Pont	Goff	Norris
Caraway	Fletcher	King	Tyson

So the Senate refused to take a recess.

Mr. WATSON. Mr. President, I would like to ask the Senator from Montana [Mr. WALSH] and the Senator from Arizona [Mr. ASHURST], who objected a while ago, if they will object to a unanimous-consent agreement to take a vote to-morrow afternoon at 4 o'clock?

Mr. ASHURST. Mr. President, I have not the slightest objection to voting now or postponing the vote; but on behalf of a number of Senators I have made the objection at their request. I will not mention their names. I will let them speak for themselves.

Mr. WATSON. Does the Senator now object?

Mr. ASHURST. Yes; I do; certainly.

Mr. WATSON. Does the Senator object to fixing a time to vote at any time to-morrow?

Mr. ASHURST. I have no objection to fixing a time to vote at any hour on Friday or Saturday.

Mr. WATSON. But any time to-morrow?

Mr. ASHURST. To that I must object.

Mr. HARRISON. Mr. President, does not the vote we have just taken indicate that we want to vote on the proposition to-night?

Mr. WATSON. I think so.

Mr. HARRISON. Why not go ahead and conclude the debate and vote?

Mr. WATSON. Very well; that course is agreeable to me.

The VICE PRESIDENT. The question is on agreeing to the first committee amendment.

Mr. MOSES. Let it be stated.

The CHIEF CLERK. On page 1, line 5, after the word "corporations," the Committee on Interstate Commerce reported to insert the words "doing an interstate business."

Mr. WALSH of Montana. Mr. President, I move to amend the committee amendment by inserting, after "interstate," the words "or international."

The VICE PRESIDENT. The amendment of the Senator from Montana to the committee amendment will be stated.

The CHIEF CLERK. On page 1, line 5, after the word "interstate," insert the words "or international," so that it will read: "corporations doing an interstate or international business."

The VICE PRESIDENT. The question is on agreeing to the amendment to the committee amendment.

Mr. WHEELER. Mr. President, I send to the desk an article written by Frank R. Kent, of the Baltimore Sun, which I ask that the clerk may read.

The VICE PRESIDENT. The clerk will read, as requested.

The Chief Clerk read as follows:

[From the Baltimore Sun, February 14, 1928]

THE GREAT GAME OF POLITICS

By Frank R. Kent

PUBLIC UTILITY WISDOM?

WASHINGTON, February 13.—To a detached view the almost desperate effort of the public-utilities interests to sidetrack the proposal to investigate them by having the investigating done by the Federal Trade Commission instead of Senator WALSH will not in the long run turn out to be a very intelligent thing.

Apparently their idea is that the best interests of the industry will be served by making a joke of the investigation and the one thing above all to be desired is to keep it out of the hands of WALSH. Along this line the extraordinary lobby which the public utilities have assembled in Washington, headed by two ex-Senators, one a Republican, Lenroot of Wisconsin, the other a Democrat, Thomas of Colorado, has been working and with such success that it was generally believed to-day the votes were in hand. To most observers the mere idea of the Federal Trade Commission, as at present constituted, making a real investigation is absurd.

In the opinion of those who look farthest ahead, if they succeed in their present drive to smother the investigation, which is what it amounts to, the position in which the public utilities will be placed will be neither enviable nor sound—nor, it might be added, secure. If they succeed, they will for the present avoid an investigation; but they make it more sure in the future and in a form less palatable than is now proposed. It is, of course, not to be expected that the employed lobbyists working for the immediate fee should take a broad view of this business, but it is curious that some of the really enlightened men behind them—men of great influence in the industry—should be equally shortsighted.

No one blames them for being opposed to an investigation. Investigations, whether justified or not, are inevitably irritating and upsetting to the investigated. The fact is, however, that regardless of their contention that the investigation is unnecessary, and notwithstanding the power and extent of the lobby, weeks ago it was conceded that the order for the investigation in some form would pass. Under such circumstances, it is argued, if the public utilities are as good as they say they are, the intelligent attitude would seem to be one that in effect said to the public: "We did not, of course, want an investigation because we believe none needed. But as the Senate has seen fit to order one we insist that it be as thorough as possible. We want Senator WALSH, who started this thing, to go to the bottom now he has started. If there is anything rotten in this industry, it is to our interests to know it, and the sooner the better. If there is not—and we believe there is not—then we want a clean bill of health."

That would have been consistent with the position publicly assumed by such leaders of the industry as Owen Young, and with the protestations of purity made by its counsel before the committee. It would, in fact, square with the facts so far as the really big men are concerned, because they are, with few exceptions, not only personally on the level but run their business that way, deal from the top of the deck. There are extremely few Insulls among them.

Instead of taking that position, however, they have taken one that in effect says this: "We are afraid of a real investigation. We are afraid to let the able and experienced WALSH insert the probe. We are not really as pure as we pretend, and therefore we think the safest thing for us is to amend the Walsh resolution, take the thing out of his too keen and capable hands, put the job up to the Federal Trade Commission—where the presence as chairman of the hard-boiled Humphrey makes a fine coat of whitewash a dead-sure proposition."

What seems to be overlooked by the usually enlightened utility men is, first, the natural deduction for the public to make is that fear of Senator WALSH rather argues a consciousness of guilt; second, that the uninspiring personnel of the Federal Trade Commission and the dominance over it of Humphrey is such as to make it certain that its report, however eulogistic, will satisfy very few outside the industry itself. In other words, the contention is that the net result will be an increased and not a diminished hostility toward public utilities—a hostility calculated to make them more of an issue in politics than ought to be the case. It does seem that it would have been a wiser course, if there is nothing to be ashamed of, to let Senator WALSH find that fact out. It would certainly redound to the credit of the industry if he did. But perhaps they know their business best.

Mr. GLASS. Mr. President, I do not think we are going to have a vote on this resolution to-night. I had hoped we would vote on it this afternoon, as many other Senators had hoped, but that hope apparently is not to be realized. There are some of us who wish to speak briefly on the subject but do not care to proceed when the few Senators who will remain to listen to the discussion are exhausted. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Virginia.

Mr. HARRISON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). Announcing my pair as before, on account of the absence of the Senator from Delaware [Mr. DU PONT] by reason of illness, I withhold my vote.

Mr. NORRIS (when his name was called). Upon this vote I am paired with the Senator from Arkansas [Mr. CARAWAY]. If I were at liberty to vote, I should vote "yea."

Mr. TYSON (when his name was called). I am paired with the Senator from West Virginia [Mr. GOFF]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. GERRY. I wish to announce that the junior Senator from South Carolina [Mr. BLEASE] and the junior Senator from Utah [Mr. KING] are necessarily absent, and that each of those Senators has a general pair.

The result was announced—yeas 36, nays 48, as follows:

YEAS—36

Barkley	Frazier	McLean	Sheppard
Black	Glass	McMaster	Shipstead
Blaine	Gould	McNary	Steiwer
Borah	Harris	Neely	Swanson
Bratton	Hayden	Norbeck	Trammell
Brookhart	Howell	Nye	Wagner
Capper	Johnson	Oddie	Walsh, Mass.
Cutting	La Follette	Overman	Walsh, Mont.
Ferris	McKellar	Reed, Mo.	Wheeler

NAYS—48

Ashurst	Fess	Keyes	Shortridge
Bayard	George	Mayfield	Simmons
Bingham	Gerry	Metcalf	Smith
Broussard	Gillett	Moses	Smoot
Bruce	Gooding	Phipps	Steck
Copeland	Greene	Pine	Stephens
Couzens	Hale	Ransdell	Thomas
Curtis	Harrison	Reed, Pa.	Tydings
Deneen	Hawes	Robinson, Ark.	Warren
Dill	Heflin	Robinson, Ind.	Waterman
Edge	Jones	Sackett	Watson
Edwards	Kendrick	Schall	Willis

NOT VOTING—10

Blease	du Pont	King	Tyson
Caraway	Fletcher	Norris	
Dale	Goff	Pittman	

So the Senate refused to take a recess.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Montana to the first committee amendment. The amendment to the amendment will be stated.

The CHIEF CLERK. It is proposed to amend the committee amendment on page 1, line 5, after the word "interstate," to insert the words "or international," so as to read, "doing an interstate or international business."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The next amendment of the Committee on Interstate Commerce was, on page 2, line 1, after the word "stocks," to strike out "such" and insert "two or more"; in line 2, after the word "corporations," to insert "operating in different States"; in line 3, after the word "by," to strike out "or affiliated with"; in line 10, after the word "which," to insert "such"; in line 16, before the word "public," to insert "such"; in the same line, after the word "by," to insert "such"; in line 22, before the word "holding," to insert "such," so as to read:

Resolved, That a committee of five Members of the Senate, to be elected thereby, be hereby empowered and directed to inquire into and report upon: (1) The growth of the capital assets and capital liabilities of public utility corporations doing an interstate or international business supplying either electrical energy in the form of power or light or both, however produced, or gas, natural or artificial, of corporations holding the stocks of two or more public utility corporations operating in different States, and of nonpublic utility corporations owned or controlled by such holding companies; (2) the method of issuing, the price realized or value received, the commissions or bonuses paid or received, and other pertinent facts with respect to the various security issues of all classes of corporations herein named, including the bonds and other evidences of indebtedness thereof, as well as the stocks of the same; (3) the extent to which such holding companies or their stockholders control or are financially interested in financial, engineering, construction, and/or management corporations, and the relation, one to the other, of the classes of corporations last named, the holding companies, and the public utility corporations; (4) the services furnished to such public utility corporations by such holding companies and/or their associated, affiliated, and/or subsidiary companies, the fees, commissions, bonuses, or other charges made therefor, and the earnings and expenses of such holding companies and their associated, affiliated, and/or subsidiary companies; and (5) the value or detriment to the public of such holding companies owning the stock or otherwise controlling such public utility corporations immediately or remotely, with the extent of such ownership or control, and particularly what legislation, if any, should be enacted by Congress to correct any abuses that may exist in the organization or operation of such holding companies.

The amendment was agreed to.

The next amendment was, on page 3, after line 13, to insert the following proviso:

Provided, That the elections herein referred to shall be limited to the elections of President, Vice President, Members of the United States Senate and of the House of Representatives.

So as to read:

The committee is further empowered and directed to inquire and report whether, and to what extent, such corporations or any of the officers thereof or anyone in their behalf or in behalf of any organization of which any such corporation may be a member, through the expenditure of money or through the control of the avenues of publicity, have made any and what effort to influence or control public opinion on account of municipal or public ownership of the means by which power is developed and electrical energy is generated and distributed, or to influence or control elections: *Provided*, That the elections herein referred to shall be limited to the elections of President, Vice President, Members of the United States Senate, and of the House of Representatives.

Mr. WALSH of Montana. Mr. President, I send to the desk a telegram and ask that it may be read.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read as follows:

ATLANTA, GA., *February 15, 1928.*

Senator THOMAS J. WALSH,
Care Senate Office Building, Washington, D. C.:

Have just wired Senator WALTER F. GEORGE as follows: "South needs such investigation of electric power industry as Walsh resolution would provide if for no other reason contributions to congressional campaigns in South as well as elsewhere should be disclosed." Don't understand his position.

C. A. COBB,
Editor Southern Ruralist.

Mr. BRUCE. Mr. President, I should like to inquire whether such a lobbyist as the one who sent that telegram should be spurned from the doors of the Senate?

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Indiana?

Mr. WALSH of Montana. I yield.

Mr. WATSON. I ask unanimous consent that the telegram which I send to the desk may be read.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read as follows:

MIAMI, FLA., *January 20, 1928.*

Hon. JAMES E. WATSON,
United States Senate, Washington, D. C.:

The executive council of the American Federation of Labor favors an investigation of power companies, but it believes such investigation should be made by competent experts free from partisan political influence and without political significance.

WILLIAM GREEN,
President American Federation of Labor.

Mr. WALSH of Montana. Mr. President, I trust the amendment of the committee under consideration now will not be agreed to; but I should say in this connection that the Senator from Oregon [Mr. STEIWER] suggested to me an amendment to this provision a while ago which, for the assurance it would give to some doubting Thomases, perhaps should be inserted, that would limit the time back of which the committee could not go in this matter of campaign contributions.

Likewise, Mr. President, when we shall arrive at that point, I shall ask leave to amend by taking out the words "and directed," in line 3, page 2, so that the committee would be empowered but not directed to inquire, and have a discretion as to these matters.

I ask unanimous consent, if the Senator from Oregon desires to present his amendment, that it may be considered before the amendment of the committee now under consideration.

The VICE PRESIDENT. Without objection, it will be so ordered.

Mr. WATSON. What is the amendment?

The VICE PRESIDENT. Has the Senator from Oregon prepared an amendment which he desires to offer?

Mr. STEIWER. Mr. President, I did not have in mind offering an amendment. I merely suggested it to the author of the resolution.

Mr. WALSH of Montana. Then I will offer the amendment suggested to me by the Senator from Oregon. After the word "or," on page 3, line 12, insert "since 1923."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, line 12, after the word "or," it is proposed to insert "since 1923," so that, if amended, it will read:

and what effort to influence or control public opinion on account of municipal or public ownership of the means by which power is developed and electrical energy is generated and distributed, or, since 1923, to influence or control elections—

And so forth.

Mr. WATSON. I have no objection to that amendment.

Mr. WALSH of Montana. With that amendment I trust the amendment of the committee will be rejected.

Mr. HARRISON. May I ask the Senator why he proposes 1923?

Mr. WALSH of Montana. The Senator from Oregon suggested that it be 1925. I said to him that I should not object to 1923. That would be within the last five years. I suggest this because in the course of the debate some apprehension was exhibited lest this committee, which would have enough work to do anyway, should go back an indefinite length of time to ascertain the amount of money that had been contributed to elections; so I thought it was a reasonable thing that some limit should be placed upon it.

The VICE PRESIDENT. Without objection, the question is upon the amendment of the Senator from Montana.

The amendment was agreed to.

The CHIEF CLERK. The next amendment is, on page 3, in line 13, after the word "elections," to insert the proviso heretofore read.

The VICE PRESIDENT. Without objection——

Mr. WALSH of Montana. Mr. President, I trust we shall have a vote on that.

Mr. ASHURST. Let the amendment be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, line 13, after the word "elections," it is proposed to insert a comma and the following proviso:

Provided, That the elections herein referred to shall be limited to the elections of President, Vice President, Members of the United States Senate, and of the House of Representatives.

Mr. WALSH of Montana. The matter of elections of Members of Congress and presidential electors has been investigated by special committees in 1920, 1924, and 1926. I do not see any reason for traveling over that ground again. I do not know why that should be made a specific subject of investigation when it has already been investigated. I should like to exclude that.

Mr. WATSON. Does the Senator want to exclude that and have his original resolution restored, as asked for above, to investigate campaign expenses, including the election of every constable or sheriff or county or State officer anywhere in the United States?

Mr. WALSH of Montana. I said to the Senator that I was going to ask to amend the resolution by striking out the word "directed," so that the committee would go just as far as it cared to go, as far as seemed to it important, in connection with the material subject of the inquiry. If the election of a constable had anything at all to do with these other matters, I should like to have the committee go into it. I can not conceive, however, that it could possibly have any such effect.

Mr. ROBINSON of Arkansas. Mr. President, I offer an amendment to the committee amendment.

On line 15, page 3, I move to strike out all after the word "Senate." The effect of the amendment will be to relieve the committee, if constituted, from an investigation of the elections of Members of the House of Representatives. I have already made some remarks in the Senate on that subject, and I think the Senator from Montana probably will agree with me.

Mr. WALSH of Montana. I hope that amendment will be agreed to.

Mr. BORAH. Mr. President, the effect of the amendment of the Senator from Arkansas is to exclude investigations with reference to the election of Members of the House?

Mr. ROBINSON of Arkansas. Yes.

Mr. BORAH. And in order to do that we will vote "yea"?

Mr. ROBINSON of Arkansas. Yes.

Mr. BRATTON. Mr. President, will the Senator from Arkansas give me his attention? In order to perfect the language in harmony with the suggestion of the Senator, should not the word "and" be inserted following the word "President"?

Mr. ROBINSON of Arkansas. Yes; the word "and" should be inserted there. Shall I restate the amendment?

The VICE PRESIDENT. The Secretary will state the amendment as modified.

Mr. ROBINSON of Arkansas. Yes; let the Secretary state the amendment.

The CHIEF CLERK. Before the word "Members" it is proposed to insert the word "and," and after the word "Senate" it is proposed to strike out the remainder of the paragraph—that is, the words "and of the House of Representatives," so that, if amended, the proviso will read:

Provided, That the elections herein referred to shall be limited to the elections of President, Vice President, and Members of the United States Senate.

Mr. WATSON. I hope that amendment may be agreed to.

The VICE PRESIDENT. Is there objection to the amendment of the Senator from Arkansas to the amendment of the committee? The Chair hears none. The question is upon the amendment of the committee as amended by the amendment of the Senator from Arkansas.

Mr. WALSH of Montana. Mr. President, I merely desire to say, with reference to the amendment as it stands, that, as I have heretofore stated, the purpose of this inquiry into elections is to find out whether, as has been charged—and I do not undertake to say whether it is true or whether it is not true—these public-utility corporations have been spending money to control elections in the various States, either to control the regulatory bodies in the various States or to control elections in which questions of the purchase and sale of properties of municipalities are involved.

As I said, I have a number of letters from people in municipalities where a municipal plant is in existence saying that they have been obliged to contend again and again in elections against an attempt by one of the great combinations to get possession of those local utilities. I should like to inquire into the truth of those matters. The elections of President and Vice President and the elections of Senators and Representatives have only the most remote relation to the elections that are of consequence when you are investigating public utilities; and if you confine the inquiry to elections that have not much of anything to do with the question, you exclude all the elections that are of direct consequence in the matter of the control of public utilities.

Mr. GLASS. Mr. President, does the Senator think that that is a question to be inquired into by the Congress of the United States? I have no doubt on earth that utility companies do undertake to control municipalities. I have not the remotest doubt on earth that they are guilty of bribery and corruption; but it seems to me that that is a matter of inquiry by the municipality or by the State itself, and not by the Federal Government.

Mr. WALSH of Montana. Let me remind the Senator that it is restricted to contributions made by "such corporations"—that is to say, these corporations that are engaged in interstate business of one kind or another.

Mr. GLASS. It would seem to me to be a very comprehensive proposition, one that would involve the invasion of the States and of subdivisions of the States by a congressional investigation; and therefore I think we ought to adopt this proposed limitation.

Mr. BINGHAM. Mr. President, I thought there had been a general feeling on the other side of the aisle that we might give up any rights of the States.

Mr. GLASS. Oh, it is not a question of "the other side of the aisle." It is a question for the judgment of the Senate of the United States. I have very little patience with these people who have not an idea beyond partisanship.

Mr. WATSON. Mr. President, there was much discussion in the committee, during the consideration of this measure there, as to the right or authority of the Congress of the United States to investigate all these local elections; and I think members of the committee were very decidedly of the opinion that we had no such authority. I want to ask my friend from Montana what right he thinks the Senate of the United States has to investigate the election of a constable out in Missoula, Mont., or the election of a county officer out there.

Mr. WALSH of Montana. If the Senator puts it in that bald way, of course, I should say it had no right; but when it goes to investigating the activities of corporations engaged in interstate commerce it becomes a very important matter as to whether those corporations thus engaged in interstate commerce are engaged in trying to elect constables in Missoula.

Mr. WATSON. But, of course, the Senator includes in "interstate commerce" those who sell stocks and bonds across State lines.

Mr. WALSH of Montana. Exactly.

Mr. WATSON. That is just where we disagree.

Mr. NORRIS. Mr. President, it seems to me there ought to be no dispute on the proposition which is now before the Senate. Assuming that we want an investigation, it seems to me that even those who are opposed to the entire resolution ought to be fair enought to say, "If you have an investigation, we want one that is effective."

I think myself that this amendment is very important, and, if agreed to, will curtail the power and the jurisdiction of this committee so as to prevent it from going into many things that are intended by the scope of the resolution to be looked into.

I sympathize entirely with those who say we ought not, we have no jurisdiction, to go into a village or a city election. That is not what this resolution contemplates—to ascertain whether John Smith or Richard Roe was elected councilman for a certain ward in a certain city, or whether John Jones was elected sheriff of a certain county. That is not contemplated in this investigation. But, if we adopt the amendment, suppose there is some proposition in which the General Electric Co., for instance, or the Electric Bond & Share Co., is interested—it covers the entire United States—and the proposition is submitted to a city, a village, a State, or a county; and let us say, for the sake of argument—of course, it is pretty rank to say that these people would do some of these things—but let us assume for the sake of argument that they would spend, in an election in a village or a city, a million dollars to put across a proposition, either to buy or to sell a system for the

generation and distribution of electricity in that town: Does anybody say we have not the authority to investigate contributions made by a corporation engaged in interstate commerce, even though it be at a municipal election? If this amendment shall be agreed to, the committee can not investigate into expenditures of the Electric Light Trust or the Water Power Trust, even though they might admit that they spent a million dollars in some particular election, unless the contribution was made at the time of a general election, where electors for President or Members of the Senate were chosen.

Referring to the election in California where the initiative was involved, about which we have been talking, off and on, during this debate, a large part of the money raised was spent to control that election, but we could not investigate such expenditure unless that election were called at the same time the people were voting for Senators or a President of the United States.

Senators should not get mixed up and think that there is contemplated here an investigation of the elections of State or county or municipal officials. That is not the idea at all. If we are going to do anything about these big corporations engaged in water-power development and the development and distribution of electricity across State lines, corporations engaged in interstate business, selling their bonds or stocks in different States, if we are going to investigate them at all the investigations should not be limited to elections where Senators are elected.

We are really asked to take away from this committee the power to make a very important investigation, and the amendment is directed to the very heart of this resolution itself. It would almost nullify it. In this particular we would be almost nullifying the work that could be done if any investigation were to take place.

I appeal to those who are not going to vote for the resolution to vote against this amendment, because they should concede to those who favor the investigation that if we have an investigation at all it ought to be effective, and it can not be effective if this amendment shall be agreed to, in my judgment.

Mr. WILLIS. Mr. President, I view with the same abhorrence entertained by the Senator from Nebraska the idea of corruption in municipal elections, but I can not bring myself to the point where I can believe that it is a proper function of the Senate of the United States to go into the question of municipal elections anywhere in this country. I do not believe the Senate has yet become simply a grand jury.

I rose particularly, however, to say that I think one of the most sensible things that has been said upon this question has been said by the Governor of Ohio, with whom I disagree very sharply politically. I ask unanimous consent to have read at the desk a brief statement the Governor of Ohio made recently on this question.

The VICE PRESIDENT. Without objection, the clerk will read.

The Chief Clerk read as follows:

[From the Ohio State Journal, January 30, 1928]

OHIO WILL RESIST UTILITY CONTROL BY UNITED STATES, DONAHEY SAYS—CENTRALIZATION IN GOVERNMENT DENOUNCED BY GOVERNOR; USURPATION, HE CALLS IT—HOME RULE ASKED

On the eve of a meeting of the Interstate Commerce Committee of the United States Senate to consider its report on the Walsh resolution for a wide-open investigation of the electric and gas utilities, Governor Donahey, Sunday, declared the temper of Ohio people would be to resist usurpation by the Federal Government of the State rights in public-utility regulation.

Governor Donahey was moved to this expression when shown a statement made by Governor Byrd, of Virginia, in which the latter denounced the infringement of the Federal Government on State rights, through Congress, commissions, and courts as the most serious menace to America.

"The day's dispatches from Washington indicate there are in prospect not only a Senate investigation of the electric and gas utilities, but also the telephone and telegraph and the motion-picture industries," Governor Donahey said.

"The only end of such investigations will be legislation which will take authority from States and lodge it in Federal commissions in Washington. The inevitable result will be that regulation of utilities, the motion-picture industry, or any other industry which Congress may choose to investigate, will be further removed from the people.

"During my 15 years' political experience in Columbus, I have observed that the tendency has been to centralize administration in Columbus. Washington is now endeavoring to absorb the prerogatives of the States and to centralize government there. The tendency should be, rather, to get back to home rule. Many of the bills I have vetoed intended to centralize government in the State; for that reason I rejected them. The tendency should be to get back to the people.

"In Ohio the people believe in home rule. That's why, in 1912, they wrote into the State constitution an amendment giving local governments the right to regulate their utilities, with the right of appeal to the utilities commission provided to safeguard all concerned. In Ohio regulation of utilities is a success; we do not need any aid in this respect from the Federal Government.

"In Ohio the sale of utility securities, like that of all other classes of securities, is under State control. But regardless of financial operations in utility securities, consumers' interests are protected, for the companies' earnings are restricted to a fair return on the value of the property used and useful for serving the public.

"The people of Ohio will resist any effort by Congress to usurp their rights in utility regulation. They feel competent, through their municipal councils, their legislature, their commission, and their courts, to safeguard themselves with regard to service, rates, and financing.

"The Senate, and particularly the Senators from Ohio, should be mindful of the fact that this State adheres to the principle of State rights."

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. WALSH of Montana. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BRUCE. Mr. President, is the question on the amendment offered by the Senator from Arkansas [Mr. ROBINSON]?

The VICE PRESIDENT. The question is on agreeing to the amendment as amended by the Senator from Arkansas. The yeas and nays have been ordered, and the Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I again announce my pair with the Senator from Delaware [Mr. DU PONT], who is absent on account of illness. I therefore withhold my vote. If permitted to vote, I should vote "nay."

Mr. NORRIS (when his name was called). On this vote I am paired with the junior Senator from Arkansas [Mr. CARAWAY], who is absent. If the Senator from Arkansas were present, he would vote "yea," and if I were at liberty to vote I would vote "nay."

Mr. TYSON (when his name was called). I have a general pair with the Senator from West Virginia [Mr. GOFF], who is absent. Not knowing how he would vote if present, I withhold my vote.

The roll call having been concluded, the result was announced—yeas 50, nays 34, as follows:

YEAS—50

Bayard	Glass	Overman	Smoot
Bingham	Gould	Phipps	Steck
Broussard	Greene	Pine	Stephens
Bruce	Hale	Pittman	Swanson
Copeland	Hawes	Ransdell	Thomas
Curtis	Jones	Reed, Pa.	Tydings
Deneen	Kendrick	Robinson, Ark.	Wagner
Edge	Keyes	Robinson, Ind.	Warren
Edwards	McLean	Sackett	Waterman
Ferris	McNary	Schall	Watson
Fess	Metcalf	Shortridge	Willis
Gerry	Moses	Simmons	
Gillett	Oddie	Smith	

NAYS—34

Ashurst	Dill	Johnson	Sheppard
Barkley	Frazier	La Follette	Shipstead
Black	George	McKellar	Stelwer
Blaine	Gooding	McMaster	Trammell
Borah	Harris	Mayfield	Walsh, Mass.
Bratton	Harrison	Neely	Walsh, Mont.
Brookhart	Hayden	Norbeck	Wheeler
Couzens	Heflin	Nye	
Cutting	Howell	Reed, Mo.	

NOT VOTING—10

Blease	Dale	Goff	Tyson
Capper	du Pont	King	
Caraway	Fletcher	Norris	

So the amendment as amended was agreed to.

The VICE PRESIDENT. The Clerk will state the next amendment of the Committee on Interstate Commerce.

The CHIEF CLERK. On page 4, line 5, after the words "The expenses of said investigation," insert a comma and the words "which shall not exceed $30,000."

The VICE PRESIDENT. Without objection, the amendment is agreed to. That completes the committee amendments.

Mr. WALSH of Montana. Mr. President, my attention has been called to the fact that the resolution as drawn does not in one respect comply with the law. It seems that the law prescribes that the cost shall not exceed 25 cents per hundred words, instead of $1.25 per printed page. Is that correct, may I ask the Senator from Utah?

Mr. SMOOT. That is correct.

Mr. WALSH of Montana. Accordingly I submit an amendment, as follows: On page 3, line 23, strike out the words "$1.25 per printed page" and substitute therefor the words "25 cents per 100 words."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. WALSH of Montana. Then I move to strike out, on page 1, line 3, the words "and directed."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, line 3, after the word "empowered," strike out the words "and directed," so that it will read:

That a committee of five Members of the Senate be elected thereby and be hereby empowered to inquire into and report upon.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. GEORGE. Mr. President, I propose the following amendment: On page 1, line 1, after the word "*Resolved*," strike out down to the word "upon," in line 3 of the same page, and insert:

That the Federal Trade Commission is hereby directed to inquire into and report to the Senate, by filing with the Secretary thereof within each 30 days after the passage of this resolution and finally on the completion of the investigation, the stenographic report of the evidence taken by the commission to accompany its partial and final reports upon.

And then follows the resolution as it has been perfected by the Senate.

The VICE PRESIDENT. The question is upon agreeing to the amendment submitted by the Senator from Georgia.

Mr. WATSON. Mr. President, may the amendment be reported by the clerk from the desk?

The VICE PRESIDENT. The clerk will read the amendment.

The Chief Clerk read the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. BLACK. Mr. President, I desire to offer an amendment to the amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

Mr. GEORGE. May I say just a word in explanation merely of my amendment?

The VICE PRESIDENT. The clerk will state the amendment of the Senator from Alabama to the amendment.

The CHIEF CLERK. Amend the amendment offered by the Senator from Georgia by adding the following:

The inquiry before the Federal Trade Commission shall be open to the public and due notice of the time and place of all hearings shall be given by the commission.

Mr. GEORGE. Where is it proposed to insert the amendment? At the appropriate place in the resolution?

Mr. BLACK. Yes.

Mr. GEORGE. I have some additional amendments, and I reserve the right to accept the amendment offered by the Senator from Alabama.

Mr. BLACK. I have offered it as an amendment to the amendment of the Senator from Georgia.

Mr. GEORGE. I was inquiring whether it was an amendment to my amendment. I do not see how it could be appropriately attached to my amendment.

The VICE PRESIDENT. The Chair suggests that the Senator from Alabama withdraw his amendment and offer it at another place.

Mr. BLACK. Very well. I shall offer it if the Senator's amendment is agreed to.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WALSH of Montana. The amendment offered by the Senator from Alabama is altogether germane, not to the resolution as it is before us at all but it is germane to the amendment offered by the Senator from Georgia. If the amendment of the Senator from Georgia is adopted without any amendment at all, I inquire of the Chair——

The VICE PRESIDENT. An amendment to the resolution does not have to be germane to anything in the resolution. It can be offered to the committee amendment or to the text of the resolution.

Mr. GEORGE. What I had in mind was that it might not appear appropriately in connection with my amendment, but if my amendment is adopted, I then said I propose to offer some additional amendments and I would not object to this amendment.

Mr. WALSH of Montana. My parliamentary inquiry of the President of the Senate is, If the amendment offered by the Senator from Georgia should be adopted by the Senate, then will the amendment offered by the Senator from Alabama be in order?

The VICE PRESIDENT. It will be in order, but not as an amendment to the amendment of the Senator from Georgia.

Mr. DILL. Mr. President, I understand that the law makes Federal Trade Commission inquiries secret. This would be a repeal of the law to that extent. Can the Senate do that by resolution?

Mr. GEORGE. Then, of course, it would be merely ineffectual. I stated in the debate that I do not know what the law is, but if the amendment is offered I shall accept it.

Mr. DILL. But the amendment would have no effect if it is in contradiction of the law.

Mr. GEORGE. I do not know what the law requires, because I stated specifically that I do not know, but if the amendment is offered I shall not object to it.

The VICE PRESIDENT. The amendment of the Senator from Alabama can be offered as an amendment to the amendment of the Senator from Georgia. If the amendment of the Senator from Georgia is adopted, then the amendment of the Senator from Alabama will have to be inserted at the proper place in the resolution.

Mr. SWANSON. Mr. President, as I understand the amendment offered by the Senator from Alabama it is to perfect the amendment offered by the Senator from Georgia. When an amendment is to be perfected it must be done before the amendment itself is adopted. The amendment of the Senator from Alabama proposes to open the hearings by the Federal Trade Commission to the public. It is in order to perfect the amendment of the Senator from Georgia before we vote on it. It does seem to me the amendment offered by the Senator from Alabama ought to be voted on as it is intended as a specific amendment to the amendment of the Senator from Georgia.

The VICE PRESIDENT. The amendment to the amendment is in order.

Mr. GEORGE. So far as I am concerned, I have no objection to the amendment.

Mr. HEFLIN. Mr. President, I hope the amendment to the amendment will be adopted.

Mr. BLACK. In order to clear this up may I read the law on the subject?

Mr. GEORGE. I have said I have no objection to the amendment.

Mr. BLACK. I would like to read the law. I want to read the law with reference to whether or not we have that power. My judgment is that we do not have the power, but I want to offer the amendment, because I think it should be a public hearing if there is a submission of the matter to the Federal Trade Commission. My judgment is from the law that we do not have the power.

The VICE PRESIDENT. The Chair suggests that the clerk read the amendment of the Senator from Georgia as proposed to be amended by the Senator from Alabama.

The Chief Clerk read as follows:

That the Federal Trade Commission is hereby directed to inquire into and report to the Senate by filing with the Secretary thereof within each 30 days after the passage of this resolution, and finally on the completion of the investigation, the stenographic report of the evidence taken by the commission to accompany the partial and final reports, upon—the inquiry before the Federal Trade Commission shall be open to the public and due notice of the time and place of all hearings shall be given by the commission.

Mr. WATSON. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. WATSON. Does the Senator from Alabama say that he is offering an amendment which he knows is contrary to existing law?

Mr. GEORGE. If the Senator from Alabama makes that statement, I shall object to his amendment.

The VICE PRESIDENT. The inclusion of the amendment of the Senator from Alabama as read comes after the word "upon." It should either follow or precede that word in some other way.

Mr. BLACK. I would arrange that, but I would like to have the privilege of answering the Senator from Indiana. The law provides as follows with reference to the powers of the Federal Trade Commission:

To make public from time to time such portions of information obtained by it hereafter, except trade secrets and names of customers, as it shall deem expedient in the public interest.

If this matter should be submitted to the Federal Trade Commission and they wanted to have a star chamber proceeding, I understand the law is that they could prohibit any human being from being there when they took evidence, because they have the power to do it.

Mr. BRATTON. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield.

Mr. BRATTON. I am unable to agree with the Senator from Alabama [Mr. BLACK]. If the Senate has the power by resolution to require the Federal Trade Commission to conduct the investigation, I think it has the power to govern the procedure to obtain. If the Senate undertakes to make the hearings public, I think it can do that, because the investigation will not be conducted under law independent of the resolution. The power of the Federal Trade Commission to conduct the investigation emanates from the resolution. If the power is granted by the resolution I think we have the right to govern the procedure under which the investigation shall be conducted.

Mr. GLASS. If the amendment proposed by the Senator from Alabama is contrary to the statute, what becomes of the provision of the amendment of the Senator from Georgia, which requires the Federal Trade Commission to report its proceedings every 30 days after the adoption of the resolution?

Mr. BLACK. The commission can do so if it desires.

Mr. GLASS. If the amendment of the Senator from Alabama is contrary to the statute, likewise the amendment of the Senator from Georgia is so.

Mr. BLACK. Yes; undoubtedly.

Mr. GEORGE. I presume the Senator from Alabama is offering his amendment in good faith, and so presuming, I suggest to him that his amendment should precede the word "upon" so that the grammatical construction, with proper punctuation, would be at least in proper form.

The VICE PRESIDENT. The Secretary is reconstructing the amendment as amended.

Mr. BLACK. May I suggest in reply to the statement that I was offering my amendment in good faith, that I am offering it in good faith to this extent that I believe the Federal Trade Commission has the right to deny the publication of any word of evidence or any report that it makes, but I believe that, if there is an effort in good faith to have a bona fide investigation by the commission, and that commission shall attempt to conduct an investigation in good faith, it will obey the injunction of this single body of the National Legislature, although we can not change the law as written; we can not by resolution change any existing statute passed by both Houses which sets forth the powers of the commission. I assume that if the Federal Trade Commission will act in good faith in conducting an investigation it will in good faith obey this injunction by the Senate.

Mr. WALSH of Montana. Mr. President, I am in full accord with the views expressed by the Senator from Alabama. Both Houses of Congress and the President of the United States enacted a law which reposed in the commission the right to make public its proceedings. The Senate of the United States can not change that law; it can not take power away from the commission by any resolution it may adopt, that is to say, the amendment of the Senator from Alabama can go on as just a kind of appeal to the Federal Trade Commission, but I am going to argue as suggested a little while ago by the Senator from Virginia that that amendment is no more obnoxious to the statute than is the amendment of the Senator from Georgia itself obnoxious to the statute.

Mr. GEORGE. Oh, Mr. President, I am satisfied that my amendment is not obnoxious to the statute, or I should not have offered it. I am perfectly satisfied that my amendment is a proper one, if the Senate sees fit to adopt it.

Mr. BARKLEY. Mr. President, will the Senator from Georgia yield to me?

Mr. GEORGE. I am glad to yield to the Senator from Kentucky, but I wish to say that I would not at this late hour go into any discussion of the relevancy, propriety, and legality, so to speak, of this particular amendment when it has been before us for several days.

Mr. BARKLEY. In the event that the Federal Trade Commission should submit to the Department of Justice, as it did on a former occasion, which action has been discussed here, an inquiry as to whether it had the power to make the investigation contemplated by the Senator's amendment and the Attorney General should render such a decision as he rendered in the other case, where would this investigation be?

Mr. GEORGE. If the Senate shall adopt my amendment, the investigation will be in the hands of the Federal Trade Commission.

Mr. BARKLEY. The Senator evidently did not catch my question. Suppose the commission should ask the Department of Justice whether under existing law, regardless of the pending resolution, it has the power to make the kind of investigation proposed and the Department of Justice should render an opinion holding that it can not make such an investigation under the existing law——

Mr. GEORGE. Does the Senator mean the investigation called for by the whole resolution or by some particular part of the resolution?

Mr. BARKLEY. Well, by some particular part of the resolution.

Mr. GEORGE. To which particular part of the resolution does the Senator refer?

Mr. BARKLEY. For instance, to that portion with reference to campaign contributions.

Mr. GEORGE. I propose to add another amendment, which, in my judgment, will leave that within the jurisdiction of the committee, if the amendment shall be adopted.

Mr. BARKLEY. Does the Senator think that we can amend existing law by the adoption of a Senate resolution?

Mr. GEORGE. No.

Mr. BARKLEY. Then what effect would any amendment on that subject have?

Mr. GEORGE. I am not undertaking to amend existing law.

Mr. BARKLEY. I can not see how any amendment that the Senator contemplates would cure the objection that I have in mind.

Mr. GEORGE. I do not know that I understand the Senator; but if the Senator has not heard what I said, I am sorry. I said that I intend to offer some additional amendments requiring the Federal Trade Commission to inquire whether any of the practices enumerated in the resolution tend to restrain trade or commerce or tend to create a monopoly or constitute a violation of any of the antitrust acts.

Mr. BARKLEY. That might all be included and still not touch the question. The question of what constitutes restraint of trade is a technical question under the law, and the act which created the Federal Trade Commission somewhat elaborates in that regard.

It is conceivable that there might be practices that were reprehensible that did not, in letter or in spirit, violate the terms of the antitrust acts.

Mr. GEORGE. I quite agree with the Senator, but the proposition is this: When the Senate asks for a specific investigation and asks whether the practices set forth constitute a violation of the Federal antitrust laws then the commission will be bound to answer us, and in order to answer us it will have to examine the facts.

Mr. BARKLEY. Would not the commission, though, be in a position where they might say, "admitting a certain state of facts to exist, they do not constitute a violation of the antitrust laws, and, therefore, we have no power to go into the question"?

Mr. GEORGE. I do not think so; I do not think that the commission would take that view of it. The commission did not take that view in connection with various other resolutions before it, though it finally answered that it did not think that the practices complained of constituted a violation of the Federal anitrust laws.

Mr. President, I apprehended that there might be discussion upon the amendment. I merely rose at this time to make plain what the amendment provides, conceding that it might be effective for any purpose. It provides merely that, in lieu of a committee of Senators, the inquiry shall be referred to the Federal Trade Commission; that the Federal Trade Commission shall be required and directed to pursue the inquiry—I am merely stating the substance of it now—that reports be made each 30 days, so that there may be no unnecessary delay in bringing the facts before the Senate and the country; and that the stenographic report of such evidence as the commission may take shall accompany the partial reports and the final report to be made by the commission.

The Senator from Alabama [Mr. BLACK] has added a further amendment providing that the hearings shall be open and on notice. If his amendment is valid and is binding on the commission, I presume the commission will comply with it. If it is not actually binding upon the commission, yet it would be within the power of the commission to comply with it in the event the opportunity to make the investigation was afforded. I contented myself with accepting the Senator's amendment, because if it is not a valid amendment and can not change existing law, if the commission shall not see fit to acquiesce in it, it will do no harm if incorporated in my amendment, because in that event it would be merely disregarded, of course, as incapable of changing an existing statute.

Mr. HEFLIN. Mr. President, if the Senate shall go on record as requesting the Federal Trade Commission to do a certain thing and to report to the Senate every 30 days, and the trade commission shall refuse to do that, then, of course, the Senate

can take such action as it may choose to take in another direction. We are not precluded from proceeding further if we should be disappointed in any way in the conduct of the trade commission.

Mr. GEORGE. By no means.

Mr. HEFLIN. After the national convention shall have met we will still be in session, and we can go on with this matter and proceed in some other way with it.

The VICE PRESIDENT. The question is on the amendment of the Senator from Georgia [Mr. GEORGE] as modified.

Mr. GLASS. Mr. President——

Mr. GEORGE. Does the Senator wish to discuss the amendment at this time?

Mr. GLASS. I do.

Mr. GEORGE. I yield the floor.

Mr. WALSH of Montana. Mr. President, I am very sure the Senator from Virginia would much prefer to proceed to-morrow, and I again give my confident assurance that we will reach a vote early to-morrow. I do not know of any other Senator who desires to speak, except the Senator from Virginia, and perhaps one other Senator here, and then I myself should like to close the debate. I wonder if we can not reach an understanding as to taking a recess at this time?

Mr. WATSON. Mr. President, will the Senator agree to unanimous consent to take a vote at 3 o'clock to-morrow?

Mr. WALSH of Montana. I suggested 4 o'clock a while ago, and I would rather say 4 o'clock.

Mr. DILL. Mr. President, we can not do that.

Mr. WATSON. Does the Senator from Washington object?

Mr. DILL. I do.

Mr. WATSON. Does he object to an agreement to a vote at any time to-morrow?

Mr. DILL. I do.

Mr. WATSON. Then, Mr. President, let us proceed.

Mr. GEORGE. Mr. President, I wish to say that I very much regret that we can not, in deference to the Senator from Virginia, adjourn or take a recess until to-morrow, so as to allow him to proceed at a more convenient time. I should even have voted for an adjournment, as I would have voted for his motion, if it were not for the fact that I am precisely in the situation that other Senators are on this side who are themselves making objection to any hour to-morrow. I, too, desired to be away, but I concluded that I should remain here until the vote was finally taken. Now, I wish to say to the Senator——

Mr. WATSON. Mr. President, I see nothing else to do but to proceed with the discussion.

Mr. GEORGE. If we can reach any agreement to vote at any time to-morrow, I shall be glad to vote for an adjournment.

SEVERAL SENATORS. "Vote."

The VICE PRESIDENT. The Senator from Virginia is entitled to the floor.

Mr. GLASS. Mr. President, I would be altogether disposed to apologize to the Senate for detaining it in session at this late hour except for the fact that the Senate by 2 votes has itself invited the punishment. I am not disposed to insist upon a recess, if I could have it, because of any appraisal of the value of the brief remarks which I shall submit upon the pending resolution. However, if there be any virtue in aloofness, I may say that I am not among those Senators who have been "marked up" on this proposition and "checked off." I have wanted, if I could, to reach a just conclusion. I have wanted, if I might, to be convinced in the first place of a real necessity for such an investigation as has been proposed; and then, of equal importance, I have wanted to understand under what auspices the investigation should be had. The last is the pertinent matter at this moment.

The Senator from Georgia [Mr. GEORGE] has proposed an amendment to the resolution of the Senator from Montana which would transfer the investigation from a committee of the Senate to the Federal Trade Commission. Albeit I am not fully convinced of the need at this time of any investigation at all, I am irrevocably convinced against the policy of committing such an investigation to the Federal Trade Commission; and should the amendment of the Senator from Georgia prevail I shall vote against any investigation whatsoever, because I am not willing to be among those who will spend the Government's money in a futile fashion.

OUTCRY AGAINST INVESTIGATION

We have heard to-day some remarkable philippics against congressional investigations. It is not the first time that such investigations have been deplored. We heard much of the same kind of talk when Teapot Dome was investigated, and again when the Department of Justice was under grave suspicion. Then, as now, one would have supposed that the investigators were the real culprits, and the persons proposed to be investigated the innocent victims of partisan malice.

Prominent Senators, influential public officials, were averse to the investigations ordered by the Senate some years ago; and one, reading at that time the editorial utterances of the metropolitan press, must inevitably have inferred that the Senate had precipitately entered upon a useless expenditure of public funds for the deliberate exploitation of ambitious politicians among its members. Some gentlemen on that occasion, as others on this, were very dubious as to the desirability of inquiring into the activities of certain public officials. On that occasion, as on this, there were not wanting those to come bravely to the defense of injured innocence. On that occasion, as on this, we were gravely admonished that the procedure should be very circumspect and cautious. Triumphantly, as it seemed, the Senate was reminded that the Judiciary Committee of the other House had, in the case of the suspected Attorney General, utterly refused to present articles of impeachment. Daugherty then, as Humphrey to-day, was pronounced a brave man and honest. Such, indeed, was the aversion to "government by investigation" that the power of the Congress to inquire into the conduct of public officials was sharply challenged and the Senate, in plain terms, was told to mind its own business.

Had the Senate then regarded protests of the precise nature of those to which we have listened to-day, the naval oil reserves would be in possession of the knaves who purchased them from the scoundrels who sold them; and recreant public officials now in disgrace would be still in high favor, exercising the important trusts which they shamelessly betrayed.

MORE THAN COURAGE REQUIRED

The chairman of the Federal Trade Commission, to which body it is here proposed to commit the investigation suggested by the senior Senator from Montana, has been praised for his courage, which nobody has ventured to question. However, Mr. President, it not infrequently has happened that an unworthy person has been applauded for "the courage of his convictions." That threadbare phrase long ago ceased to signify exceptional virtue in the man in whose behalf it is flourished. There are wholly dangerous men who exhibit the courage of their convictions. What is of greater concern in this particular case is to ascertain what are Mr. Humphrey's convictions. I have known men in public life with an abundance of courage who, along with it, had the very basest convictions. Let us get a picture of the chairman of the commission to which we are asked to send this investigation. We may then the better determine the degree of satisfaction which Senators should derive from their boasted aid in putting such a man in a position of great importance and responsibility. Likewise, we may then the better decide the hazard the Senate will take in confiding to such a man a matter of this magnitude and vital concern to the people of the United States.

When Mr. Humphrey was appointed a member of the Federal Trade Commission it was announced, if not by the White House spokesman, with quite as much apparent authority as that gentleman appeared to assume, that he was put on this commission to halt its inquisitiveness, to change the order of its activities, to revolutionize by restraining its methods of procedure. The statement was even made that it was the conviction of the President that this and other commissions should subordinate their judgment to the opinions of the Executive; that they properly were mere agencies of the Executive to register the policies of the administration.

Mr. Humphrey hastened to perform the service for which he was designated; and, in a little while, was asked if he had not made revolutionary changes in the methods and policies of the Federal Trade Commission. Responding to this inquiry by a representative of the St. Louis Post-Dispatch, Mr. Humphrey frankly said:

> I certainly did make a revolutionary change in the method and policies of the commission. If it was going east before, it is going west now. I would be ashamed to look a decent man in the face and to admit that I did not change the procedure.

Mr. GEORGE and Mr. BRUCE addressed the Chair.

Mr. GLASS. Let me get through with this, please, and then I will submit to interruptions.

Mr. GEORGE. I wanted to ask the Senator to whom these statements were made, because I did not hear the interview read yesterday.

Mr. GLASS. It was put in the RECORD by the senior Senator from Nebraska.

Mr. GEORGE. Will the Senator give me the page in the RECORD? I want to know what reporter wrote the interview.

Mr. GLASS. The name of the reporter is Mr. Paul Anderson, of the St. Louis Post-Dispatch.

Mr. GEORGE. I did not hear the interview read.

Mr. BRUCE. Mr. President, will the Senator yield to me for just one minute?

Mr. GLASS. Yes.

Mr. BRUCE. Is the Senator aware of the fact that Mr. Humphrey has in the last day or two written a letter to the Senator from Montana [Mr. WALSH] stating that Judge McCulloch and Mr. Ferguson, the two members who have recently become members of the Federal Trade Commission, had united with him in those changes, as well as the other members of the commission?

Mr. GLASS. Those two gentlemen were not even members of the commission when this interview was given.

Mr. BRUCE. I wanted to ascertain——

Mr. WALSH of Montana. Did the Senator refer to me?

Mr. BRUCE. I want to be correct in regard to the matter of time. I received this morning a copy of a letter that had been sent to the Senator from Montana by Mr. Humphrey, in which he referred to certain changes in practice and procedure. He stated that his colleagues had all concurred in those changes, and my recollection is that he mentioned by name both Judge McCulloch and Mr. Ferguson.

Mr. GLASS. I think the two recently appointed members of the commission were not members at the time of which I speak. Mr. Humphrey's colleagues at that time, or some of his colleagues at that time, did unite with him because they were under his complete domination.

Mr. WALSH of Montana. Mr. President, if the Senator will permit me, I have not received any such letter from Mr. Humphrey, but I am thoroughly conversant with the matter, and the Senator from Virginia is quite right, that all of these changes were effected before either Judge McCulloch or Mr. Ferguson were members of the commission.

Mr. BRUCE. Then it was a different set of changes, perhaps, to which I was referring, from those to which the Senator from Virginia has been referring. That may be.

Mr. GLASS. If I may be permitted to continue, I will exhibit a little more conclusively the spirit and character of this chairman of the Federal Trade Commission.

Mr. BRUCE. Mr. President, once more I ask the Senator to yield to me for just one minute.

Mr. GLASS. I yield.

Mr. BRUCE. If there is no objection, I would like to offer in evidence a copy of the letter to which I have referred.

Mr. GLASS. I hope the Senator will not offer it in my remarks. I do not care to have any letter from Humphrey in my remarks.

Mr. BRUCE. I will withdraw it, and offer it to-morrow, after the Senator shall have concluded.

WHAT HUMPHREY IS THERE FOR

Mr. GLASS. That will be more agreeable to me. Mr. Humphrey was asked by this newspaper writer if the Federal Trade Commission act did not exactly intend—

that the commission should collect information for Congress and for the Department of Justice.

I don't think so—

was the terse answer.

Mr. Humphrey was reminded that Senator KING had charged him with "packing" the commission's board of review in order to control its decisions, and the astounding answer was:

What of it? Do you think I would have a body of men working here under me that did not share my ideas about these matters? Not on your life. I would not hesitate a minute to cut their heads off if they disagreed with me. What in hell do you think I am here for?

A "board of review" functioning under the suspended axe of a brutal political boss! And that is the temperate, the considerate, the judical-minded gentleman to whose tender care and sense of public service it is insisted the Senate must commit this inquiry. We are asked to confess that it would not be possible to select from the membership of this body five Senators comparable in character, poise and spirit to this finished product of corporation zeal that once found laconic expression in the expletive "The public be damned!"

In defense of the idea of referring this matter to the Federal Trade Commission much has been said about the two new members of the body. I do not for one moment question the character, the capabilities or spirit of either Judge McCulloch, of Arkansas, or Mr. Ferguson, of North Carolina; but they are entirely new, inexperienced members of that commission. They have no familiarity with its processes. I doubt if they have as yet a useful familiarity with its history. Their friends should warn them against the perverted notions and pernicious activity of the chairman of the commission. Why, since their appointment, and without consultation with them, this chairman appeared before the Senate Appropriations Committee and sought to preclude any investigation by this body through the Federal Trade Commission by providing that none of its funds should be expended upon an inquiry ordered by the Senate or the House singly!

That by some people may be called "courage," just as the inquiry, "What in the hell am I here for?" might be called pertinent. I should be disposed to characterize the one as a piece of inexcusable effrontery and the other as a profane expression of contempt for the public interests. And, for one, I am not willing to submit an investigation to a man, however honest or courageous he may be, who has the perverted notion of the divine right of monopoly; who has the vicious habit of thinking that big business can commit no wrong which the legislative body is justified in attempting to remedy.

THE COMMISSION POWERLESS TO INVESTIGATE

Pursuing this line, who are the other members of the commission? The Senator from New York [Mr. COPELAND] had a Methodist experience meeting here to-day which drew from the brethren eulogies of some of the members of the commission; but he did not go far enough. I do not undertake to assail the integrity of Commissioner Myers. I do not recall ever having seen him; but with his preconception of the powers of the commission and, indeed, of the powers of the Senate of the United States, we know how well prepared he is to enter upon an investigation of this sort. He is the gentleman who, it is said, wrote the opinion of the Attorney General of the United States to the effect that the Senate has no right to ask nor the Federal Trade Commission to accede to a request to investigate matters covered by a large part of the pending resolution.

The senior Senator from Nebraska [Mr. NORRIS] pointed these things out yesterday to empty seats, just as his colleague [Mr. HOWELL] to-day presented here some of the most startling facts in connection with public utilities to empty seats, showing practically that there has been a "check-off" and that there is no desire for information or for enlightenment upon matters of this kind.

In the opinion alluded to, the Attorney General is on record as saying that the proposed investigation, as embodied in a large part of this resolution, is contrary to the organic act setting up the Federal Trade Commission, and that it has no right to inquire into these things under the law. Concluding his opinion on this phase of the then proposed investigation, the Attorney General said:

There is serious question as to the requirement that the Federal Trade Commission shall ascertain and report the efforts, if any, made by the corporations in question, through the expenditure of money or through the control of avenues of publicity, to influence or control public opinion on the question of municipal or public ownership of the means by which power is developed and electric energy generated and distributed. The relationship of such facts, assuming their existence, to a charge of violation of the antitrust act is not apparent.

Then, as if to emphasize the whole thing, he said:

Indulging all presumption in favor of the validity of the resolution under the organic act, I am still unable to find authority for such an inquiry.

Mr. GEORGE. Mr. President, will the Senator permit me to interrupt him at that point?

The PRESIDING OFFICER (Mr. ROBINSON of Indiana in the chair). Does the Senator from Virginia yield to the Senator from Georgia?

Mr. GLASS. I will yield in just a moment.

Now, we are proposing to refer the investigation to a commissioner, among others, who is indubitably on record as saying that the commission has no authority under the organic law to make any such investigation.

Now, I yield to the Senator from Georgia.

Mr. GEORGE. I want to say to the Senator that I would not have reached the conclusion expressed by the Attorney General under the Norris resolution, but I can see how he did reach it, because I specifically direct the Senator's attention to the fact that all that the Norris resolution did was to ask for an investigation of expenditures of money to control the agencies of publicity to influence public opinion on the question of public ownership of these utilities.

Now, then, there was no specific requirement that the commission determine whether those facts or practices, if true, constituted a violation of law, and it would be difficult indeed to say that the expenditure of money for the purpose of publicity on the question of public ownership could have any real direct or legal relation to monopoly. But the pending resolution, and

I direct the Senator's attention to it, not only recites the same language, but it says "or to influence or control elections."

I have indicated the amendment which I propose to offer. I know that the Senator from Virginia will agree with me that a monopoly can be fostered or created or continued if, by the use of money we elect officers whose duty it is to regulate it, and they, thereby having been corrupted, permit it to go on. So we have a different resolution here. I do not think there is any doubt about the power, but the advisability, the wisdom, or the usefulness of sending it to the commission is of course altogether a different proposition.

Mr. GLASS. Nor would the Senator have reached the conclusion that Mr. Myers, for the Attorney General, actually did reach.

Mr. GEORGE. No; I said very frankly that I would not.

Mr. GLASS. I said the Senator would not have reached that conclusion. I have no reason to assume that Mr. Myers would participate in the view just expressed by the Senator from Georgia. On the contrary, such is my knowledge of the spirit and career of the chairman of the Federal Trade Commission that I am not willing to believe that he would not undertake again to get a confirmatory opinion from the Department of Justice with respect to the Walsh resolution, which comprehends the very things that the Attorney General, in his opinion on the Norris resolution three years ago, said the Trade Commission had no authority, under the organic law, to investigate.

Now the Senator from Georgia proposes to add something which, in his conception of the matter, may give the problem a different aspect. But what does the Senator imagine would ensue? Why, even if the Federal Trade Commission should desire to proceed under the resolution, the corporations which it is proposed to investigate would not be willing. They would sue out injunction after injunction; and there would be many new faces in this Chamber before we would ever reach a conclusion of the matter.

Now let me, just for a moment, pursue my analysis of the Federal Trade Commission.

Mr. BORAH. Is the Senator about through?

Mr. OVERMAN. Why not adjourn?

Mr. GLASS. I wanted to adjourn a while ago.

Mr. OVERMAN. Let us adjourn, then.

Mr. GLASS. I am nearly through now.

Mr. OVERMAN. We will make a motion to adjourn and then the Senator can continue to-morrow.

Mr. GLASS. Senators are punishing themselves, and I am punishing myself to continue to-night.

Mr. WALSH of Montana. Mr. President, will the Senator yield for me to present a motion to take a recess until to-morrow?

Mr. GLASS. I yield.

Mr. WALSH of Montana. Mr. President——

Mr. GEORGE. Mr. President, I want to make a statement. I want to make it in all fairness. I have asked that the Senate adjourn over until to-morrow in order to accommodate the Senator from Virginia [Mr. GLASS] and others.

Mr. GLASS. It was not to accommodate me, I will say to the Senator.

Mr. GEORGE. I would be willing to accommodate the Senator by that course. There are some objections made by one or two Senators, as I understand only two Senators, who simply are not willing to have an agreement to vote at any hour to-morrow because they wish to be away.

I say candidly to the Senator that I have been really ill during the entire week and I can not well be here on Friday or Saturday. If I stay here through it all, I do feel that we ought to be able to reach some agreement to vote at some hour to-morrow, even if it is 6 o'clock in the afternoon. I would be glad to have a unanimous-consent agreement to take a recess until in the morning.

Mr. GLASS. I will say to the Senator that I am perfectly content to go on so far as I am concerned. I had hoped that we would adjourn until to-morrow, however.

Mr. GEORGE. I had hoped so myself.

Mr. GLASS. I had hoped so, in order that I might proceed, not in haste as I have been obliged to do, but deliberately, to the consideration of what I regard as a very grave problem. But the Senate was not willing.

Mr. WALSH of Montana. I think there could be no doubt that we would reach a vote to-morrow.

Mr. GEORGE. There was an objection and it was disclosed to me that the reason was that two Senators had to be away.

Mr. WALSH of Montana. I think pairs can be arranged for them.

Mr. GEORGE. I think so. I even offered to pair with one of them myself, though I am the author of the pending amendment.

Mr. WALSH of Montana. Let us test the matter by a motion to take a recess until 12 o'clock to-morrow.

Mr. GEORGE. Could we not have a unanimous consent agreement? I think the Senator would wish to be that courteous at least, because I say very frankly I could not be here on Friday or Saturday.

Mr. WALSH of Montana. I feel very sure that the vote must come to-morrow.

Mr. GEORGE. If the Senator is sure of that, why not enter into an agreement?

Mr. WALSH of Montana. I should not like to suggest a unanimous consent agreement because it is well known that it was stoutly opposed by several Senators who are not now present.

Mr. GEORGE. And who stated that they desired to be away to-morrow.

Mr. GLASS. It looks as if Senators will compel me to speak and then refuse to listen to what I have to say.

Mr. GEORGE. I am staying and am listening with interest to the Senator's address.

Mr. GLASS. The Senator is exceedingly courteous.

Mr. GEORGE. As the author of the amendment I myself am supposed to be paired with one of the Senators who wish to be away to-morrow, but when I state in my place that I can not be here on Friday or Saturday, I think there might be a unanimous-consent agreement to vote some time to-morrow.

Mr. WALSH of Montana. The Senator understands fully that I have repeatedly agreed to a unanimous-consent agreement to vote to-morrow at any time after 4 o'clock, and I am perfectly agreeable to that now, but I do not want to propose that in the absence of Senators who objected very strenuously to such a unanimous-consent agreement.

Mr. GEORGE. Very well. I wanted to state my position. If it means carrying over the vote to a time when I am unable to be here, I will have to arrange a pair.

Mr. WALSH of Montana. If the Senator is here to-morrow, I feel sure that we shall get a vote.

Mr. HEFLIN. Mr. President, I suggest that we proceed.

Mr. WATSON. I shall object to any sort of an arrangement to postpone the consideration of the resolution.

Mr. EDWARDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ROBINSON of Indiana in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Frazier	McNary	Shortridge
Barkley	George	Mayfield	Simmons
Bayard	Gerry	Metcalf	Smith
Bingham	Gillett	Moses	Smoot
Black	Glass	Neely	Steck
Blaine	Gould	Norbeck	Steiwer
Borah	Greene	Norris	Stephens
Bratton	Hale	Nye	Swanson
Brookhart	Harris	Oddie	Thomas
Broussard	Harrison	Overman	Trammell
Capper	Hawes	Phipps	Tydings
Copeland	Hayden	Pine	Tyson
Couzens	Heflin	Pittman	Wagner
Curtis	Howell	Ransdell	Walsh, Mass.
Cutting	Johnson	Reed, Mo.	Walsh, Mont.
Deneen	Jones	Reed, Pa.	Warren
Dill	Kendrick	Robinson, Ark.	Waterman
Edge	Keyes	Robinson, Ind.	Watson
Edwards	La Follette	Sackett	Wheeler
Ferris	McKellar	Schall	Willis
Fess	McLean	Sheppard	
Fletcher	McMaster	Shipstead	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present. The Senator from Virginia is entitled to the floor.

THE THIRD MEMBER OF A TRIUMVIRATE

Mr. GLASS. Mr. President, before I was interrupted by the attempt to reach an agreement to vote I was commenting on the composition of the Federal Trade Commission, to which it is proposed to refer the investigation of public utility corporations. I had referred to Chairman Humphrey and paid my respects also to Mr. Myers, who wrote the opinion of the Attorney General, stating specifically that certain important features which are embodied in the pending resolution could not be made the subject of investigation by the Federal Trade Commission.

Then there is a third member of the Federal Trade Commission. I think I have pretty accurate information as to the attitude of that gentleman, obtained from those once associated with him and from others who have observed the pliancy of his mind and the ease with which he is influenced, some say dominated, by the chairman of the commission and the other member to whom I have specifically made reference. He assisted Chairman Humphrey in altering the processes and the methods of the commission. While he is not on record as having used any expletives, while it is not known that he has ever passionately

inquired, "What in hell do you think I am here for?" yet he seemed to be there principally for the purpose of concurring with the chairman and the other member of the commission upon whom I have animadverted.

Mr. President, there is the picture; there is the body to which it is proposed to commit this investigation, three of the members already with hostile preconceptions which no amount of evidence, which no testimony of any nature, could be expected to alter. It is a futile proposition. The chairman of the Federal Trade Commission actually voted in the House of Representatives against the establishment of the commission. He does not believe in it as an institution of the Government. He never did believe in its activities before he was made a member, and he altered the whole situation when he was made a member. He was made a member to alter the whole situation. He dominates completely two other members of the commission; or I should more accurately have said that he and a colleague dominate a third member of the commission, and that is a majority of the commission.

How idle it is for us to talk here about committing to the commission an investigation which the commission itself says, under the opinion of the Attorney General, written by one of the commissioners, it has no lawful right to make!

ABOUT PUBLICITY

Mr. President, with respect to the amendment of the Senator from Georgia, as amended by the amendment of the Senator from Alabama, requiring publicity, clearly we can not have publicity by order of a Senate resolution. The law expressly leaves within the discretion of the commission itself all matters relating to publicity.

Some Senators talk about the "monumental report" that has already been compiled by the Trade Commission, part of it not yet bound. Who in this body ever heard of that report until the Walsh resolution was presented to the Senate? Who ever would have heard of it had not this resolution been presented? It would have found its appropriate place in the musty archives of the Federal Trade Commission, and no human being ever would have known of its existence. Now, that we have the report, of what account is it except as the conclusions of a select group of economists, conscious of the fact that they dare not pursue their inquiries beyond the scope approved by certain members of that commission?

There is not one thing about the report that indicates what questions were asked, conveniently or otherwise. There is not a thing about it to indicate what answers were given; nor do we know, nor can we know from an examination of the report, what questions were conveniently omitted; and then tell me that that is a thorough and convincing report! I am not ashamed, as one Senator, to announce myself totally unconvinced.

As to publicity, the law provides that the commission is authorized—

> to make public from time to time such portions of the information obtained by it hereunder, except trade secrets and names of customers, as it shall deem expedient in the public interest.

Mr. Humphrey—Mr. Humphrey!—is to tell us what is expedient for the public interest! Of course he is. "What the hell is he there for?" So that in the last analysis we are gravely proposing here to fool the public and oblige the interests.

Nobody has ever yet accused me of being a congenital enemy of the interests. Rather, I have been classified as an incurable conservative; but that is what is proposed here—to fool the public and immensely to oblige the interests by referring this problem to a commission on record as saying that it has no lawful authority to pursue a great part of this investigation; a commission which, if it were to pursue it, might be relied upon to give such a conclusion of its findings as Chairman Humphrey and two other members have invariably given when big business was at all involved.

As I said in the beginning, so I say in conclusion, I shall not be a party to any such travesty. I shall not vote for any such proposition; and, however desirable or urgent it may be to have an investigation, I shall vote against this resolution if the amendment of the Senator from Georgia prevails. I am not willing to take money out of the Federal Treasury or to impose upon the credulity of the public by voting for an investigation that will, in my conception of the case, be no investigation, and of which we will never hear anything should it be pursued.

PUBLIC OWNERSHIP OF PUBLIC UTILITIES

Mr. President, I am no longer to be frightened, as once I was, by the vehemently expressed hostility of some gentlemen to municipal ownership of public utilities. Like most people of my temperament and nature, I get my preconception of things, and it is exceedingly difficult to alter opinions when once they are fixed. For years I capitulated to the idea that it was a horrible heresy to talk about community or public ownership of public utilities. I began to recover my senses when we entered upon the discussion here of Muscle Shoals, when some people actually wanted to give away a great property, costing the Government of the United States more than a hundred million dollars. Then, by actual personal observation and inquiry, I was confirmed in my dawning belief that a seriously debatable question was involved, and that no intellectual or moral taint attaches to any man who may advocate, in certain conditions and to a certain extent, public ownership of public utilities.

The distinguished senior Senator from Nebraska [Mr. NORRIS] three years ago presented, from his place in the Senate, surprising revelations with respect to this problem. Unhappily, few Senators listened; and, without meaning offense, I venture to say that few Senators know a great deal about the problem. I happened to have an excess of time on my hands, and read what the Senator said, and he said many things that all of us should know. So it has been to-day, with the junior Senator from Nebraska [Mr. HOWELL] presenting facts and figures of the most significant kind, and Senators coming in and inquiring, "Now, what is he talking about?" and brushing the whole thing aside without hearing a word, without examining a fact or a figure that was presented.

I want to know, and I want an investigation that will inform me about these things. I want the questions comprehended by this resolution submitted to somebody who has not already prejudged the case, and who is not body and soul and mind possessed by those who would discredit public ownership of public utilities in any circumstance.

Why, sir, the Kaiser, up to the moment of his capitulation, had no more zealous belief in the divine right of the Hohenzollerns to rule the Empire than Chairman Humphrey has in the divine right of big business to do anything that big business desires to do; that being my belief, I am not going to waste the Government's money, or compromise my own intellectual integrity, or exhibit a degree of credulity of which I would be ashamed, by voting for a resolution that would commit this investigation to the Federal Trade Commission.

I am sorry, Mr. President, that I could not have proceeded with my part in this discussion in less haste, with a more orderly summation of facts, and a more impressive presentation of the conclusions reached; but Senators know that when they must cut and readjust their line of thought, it necessarily impairs the convincing nature of what they have to say.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE], as modified.

Mr. WALSH of Montana (at 7 o'clock and 45 minutes p. m.). Mr. President, at this time I move that the Senate take a recess until 12 o'clock to-morrow.

Mr. CURTIS. On that I demand the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. NORRIS (when his name was called). I am paired with the junior Senator from Arkansas [Mr. CARAWAY], who is absent. If he were present, he would vote "nay," and if I were at liberty to vote, I would vote "yea."

Mr. SHIPSTEAD (when his name was called). I am paired with the senior Senator from Kentucky [Mr. SACKETT], who is absent. If the Senator from Kentucky were present, he would vote "nay," and if I were at liberty to vote, I would vote "yea."

Mr. TYSON (when his name was called). I have a pair with the junior Senator from West Virginia [Mr. GOFF], who is absent. Not knowing how the Senator from West Virginia would vote, I withhold my vote.

The roll call was concluded.

Mr. GERRY. I desire to announce that the senior Senator from Florida [Mr. FLETCHER] is paired with the junior Senator from Delaware [Mr. DU PONT].

I also desire to announce that the junior Senator from South Carolina [Mr. BLEASE] is paired with the junior Senator from Utah [Mr. KING].

Mr. HOWELL (after having voted in the affirmative). I have a pair with the senior Senator from Maryland [Mr. BRUCE]. In the absence of the Senator from Maryland I voted by inadvertence, and I withdraw my vote.

Mr. FRAZIER. I have a pair with the senior Senator from North Carolina [Mr. SIMMONS], who is absent. Not knowing how he would vote if present, I withhold my vote.

The result was announced—yeas 26, nays 51—as follows:

YEAS—26

Barkley	Glass	McNary	Trammell
Black	Harris	Neely	Wagner
Blaine	Hayden	Norbeck	Walsh, Mass.
Brookhart	Johnson	Nye	Walsh, Mont.
Capper	La Follette	Reed, Mo.	Wheeler
Couzens	McKellar	Sheppard	
Cutting	McMaster	Swanson	

NAYS—51

Ashurst	George	McLean	Shortridge
Bayard	Gerry	Mayfield	Smith
Bingham	Gillett	Metcalf	Smoot
Bratton	Gooding	Moses	Steck
Broussard	Gould	Oddie	Stelwer
Copeland	Greene	Phipps	Stephens
Curtis	Hale	Pine	Thomas
Deneen	Harrison	Pittman	Tydings
Dill	Hawes	Ransdell	Warren
Edge	Heflin	Reed, Pa.	Waterman
Edwards	Jones	Robinson, Ark.	Watson
Ferris	Kendrick	Robinson, Ind.	Willis
Fess	Keyes	Schall	

NOT VOTING—17

Blease	du Pont	King	Simmons
Borah	Fletcher	Norris	Tyson
Bruce	Frazier	Overman	
Caraway	Goff	Sackett	
Dale	Howell	Shipstead	

So the Senate refused to take a recess.

Mr. WATSON. Mr. President, this is the fourth effort in a short time that has been made to have the Senate either adjourn or take a recess. It seems to me that the temper of the Senate to remain here and take a vote on this proposition should by this time be well understood. So far as I have any influence whatever, I intend to insist on the Senate remaining in session until this question shall have been disposed of.

Mr. WALSH of Montana. Mr. President, the question before the Senate is on the amendment offered by the Senator from Georgia [Mr. GEORGE], and inasmuch as practically the whole debate has turned about that matter it might, as it seems to me, very appropriately be closed by a discussion confined almost exclusively to that question.

The Committee on Interstate Commerce by unanimous vote recommended the adoption of the resolution with the amendments which have already been adopted by the Senate. While the Senator from Georgia has professed a desire, such as expressed by the Interstate Commerce Committee, that an investigation should be had, and his amendment contemplates that the investigation shall be conducted by the Federal Trade Commission, yet the great burden of his argument, and it could not be mistaken, was against any investigation whatever. And that is right, Mr. President. There will be, there can be, no investigation of this question by the Federal Trade Commission. As has already been explained to the Senate, it has been determined by the commission itself, under the advice of the Attorney General, that at least one-half of the investigation can not be conducted by that body, and I want to remind the Senate now that it was so held by the Attorney General not upon the basis of the rider on the appropriation bill but it was specifically declared by the Attorney General in the language that was read by the speaker who last addressed the Senate, and by other speakers, that it was based upon the ground that the organic act itself conferred no such power upon the commission or upon the Senate.

The language of the organic act is perfectly plain. It reads:

> Upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of any of the antitrust acts by any corporation.

In the case that went before the Attorney General and was under consideration by the commission, it might reasonably have been urged, the particular part of the resolution to which objection was there taken being in immediate connection with the other part of the resolution, which did confessedly refer to violations of the antitrust act, that the whole was to be considered together, and that the latter part of the resolution related to violations of the antitrust act, as well as the first part. But the Attorney General held differently, and held that it did not.

In this particular resolution there is not anything that refers to any violations of any antitrust act. So that the very same arguments that induced the Attorney General, when the matter was before him on the previous occasion, to hold that the latter part of the resolution was without the competence of the Senate or the Federal Trade Commission, must impel the Attorney General to hold that the first part of this resolution is equally without the power of the Senate to direct or the Federal Trade Commission to prosecute.

The Norris resolution consisted of two parts. The first part was a direction to inquire whether the General Electric Co. was a trust in violation of the antitrust act, and the second part a direction to inquire about this other matter, the expenditure of money.

If Senators will take the pending resolution and read it, they will find that there is not a suggestion in it from beginning to end that anybody has violated the antitrust act, and if it were not for the fact that the other investigation had been conducted, no one would undertake to say that it had the remotest reference to any violation of the antitrust act.

Read it! The investigation is to determine—

> (1) the growth of the capital assets and capital liabilities of public utility corporations doing an interstate or international business supplying either electrical energy in the form of power or light or both, however produced, or gas, natural or artificial, of corporations holding the stocks of two or more public utility corporations operating in different States, and of nonpublic utility corporations owned or controlled by such holding companies; (2) the method of issuing, the price realized or value received, the commissions or bonuses paid or received, and other pertinent facts with respect to the various security issues of all classes of corporations herein named, including the bonds and other evidences of indebtedness thereof, as well as the stocks of the same; (3) the extent to which such holding companies or their stockholders control or are financially interested in financial, engineering, construction, and/or management corporations, and the relation, one to the other, of the classes of corporations last named, the holding companies, and the public utility corporations; (4) the services furnished to such public utility corporations by such holding companies and/or their associated, affiliated, and/or subsidiary companies, the fees, commissions, bonuses, or other charges made therefor, and the earnings and expenses of such holding companies and their associated, affiliated, and/or subsidiary companies; and (5) the value or detriment to the public of such holding companies owning the stock or otherwise controlling such public utility corporations immediately or remotely, with the extent of such ownership or control, and particularly what legislation, if any, should be enacted by Congress to correct any abuses that may exist in the organization or operation of such holding companies.

No one has suggested any inquiry at all as to whether there has been any violation of the antitrust act. That matter has already been disposed of by the first report of the Federal Trade Commission and nobody is asking that the matter be opened up again. This is an entirely different inquiry, and when the Attorney General is called upon for an opinion upon the matter as to whether the Federal Trade Commission has power to go into it, he must take the resolution just exactly as it is before him and say whether it is an investigation into violations of the antitrust act or not, and render his opinion accordingly. So that whatever may be said in criticism of the former opinion of the Attorney General, I have no doubt in the world that he will hold, as he must hold, that this is entirely without the scope of the act creating the Federal Trade Commission.

The distinguished Senator from Georgia [Mr. GEORGE], the author of the amendment, calls attention to paragraph (a), being subdivision of section 6 of the Federal Trade Commission act, to the effect that the commission is authorized—

> to gather and compile information concerning and to investigate from time to time the organization, business conduct, practices, and management of any corporation engaged in commerce, etc.

That is to say, the Federal Trade Commission has a perfect right to go into that matter if it desires to do so, but entire discretion is reposed in the commission either to go into the matter or not to go into the matter just exactly as it sees fit. The Senate of the United States can not direct it to do anything except in accordance with the provisions of subdivision (d) of the act, upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of the antitrust act by any corporation.

So that there is no doubt about the proposition. But the Senator from Georgia said he is going to put the thing past question by adding an amendment to the effect that the Federal Trade Commission is to tell us whether these things constitute a violation of the antitrust act or not. If that can be done, then we can refer any matter to the Federal Trade Commission for investigation by just adding a little clause at the end as to whether the things to be investigated constitute a violation of the antitrust act or not. We might thus refer to them the question of the investigation of the leasing of the oil lands and put a clause on that they shall inquire as to whether the leasing or any acts done in connection therewith are in violation of the antitrust act. Is it possible that anybody can contend that the limitations of the statute can be overcome by any such futile procedure as that? I undertake to say that no lawyer

who gives real serious reflection to the subject can say anything except that it is beyond the power of a single House of Congress to confer any such power upon the Federal Trade Commission.

But, Mr. President, let us suppose that this is not sound. Let us suppose that the real correct solution of the matter, the correct interpretation of the law, is such as is given to it by the Senator from Georgia. I want to call attention to a fact not heretofore adverted to, that the Committee on Interstate Commerce, when this matter was before it, was harangued for two hours by lawyers representing some one in opposition to the resolution, arguing and citing cases from the Supreme Court of the United States to the effect that even the Senate of the United States did not have any authority to make the investigation itself. Of course, if the Congress or either House of Congress has not the power to make the investigation, then it can not confer that power upon the Federal Trade Commission or any subordinate organization of the Government.

Therefore, those who do not desire the investigation carried on at all, either by the Senate or the Federal Trade Commission, will unquestionably go to the court and ask an injunction to restrain the Federal Trade Commission from going on with the investigation, first, because neither the Senate nor the Federal Trade Commission can go into the subject at all upon general principles and, second, that it can not go into it because of the restrictions of the organic act of the Federal Trade Commission. Then, as said by the Senator from Virginia [Mr. GLASS], the youngest man in this body will have gray hair before the matter is finally disposed of.

This is not speculation, Mr. President. That is the regular thing when investigations are ordered concerning which there is the slightest doubt about the power either of the Senate to order the investigation or of the Federal Trade Commission to conduct it.

I asked the secretary of the commission to prepare for me a list with appropriate information concerning the injunctions which had been sued out against the Federal Trade Commission to prevent it from conducting investigations in which it was engaged or which it desired to prosecute. He gave me the memorandum, which I ask to have incorporated in the RECORD as an exhibit to my remarks.

The PRESIDING OFFICER (Mr. WILLIS in the chair). Without objection, that order will be made.

(See Exhibit 1.)

Mr. WALSH of Montana. I refer to the Claire Furnace Co. case, which the Federal Trade Commission started to investigate in the year 1919. It remained in the court until the 18th day of April, 1927, more than eight years, before a final determination was had in the case by the courts. I read:

> On April 20, 1925, the Supreme Court directed reargument, which was had on November 24, 1925, and on April 18, 1927, this court rendered its decision dismissing the bill for want of equity.

That is to say, they held after eight years that the bill of injunction had no equity in it and that the Federal Trade Commission ought long ago, in 1919, to have proceeded with its investigation.

The next case is the Maynard Coal Co. case, remaining in the courts for some three or four years, holding up the investigation by the Federal Trade Commission during that time.

The next case is the Millers National Federation case. On February 16, 1924, the United States Senate by resolution directed the commission to investigate and report to the Senate, among other things, the extent and methods of price fixing, price maintenance, and price discrimination in the flour and bread industries, developments in the direction of monopoly and concentration of control, and all evidence indicating the existence of agreements, conspiracies, and combinations in these industries. They went into court in that case and my recollection is the matter is still pending. The case was argued in the court of appeals on October 3 and 4, 1927, and on October 5, 1927, that court confirmed the decree of the district court. The case has gone to the Supreme Court of the United States and my recollection is it is still pending in that court.

The next case is a proceeding in which the commission sought by mandamus to secure information necessary for economic investigations, and the same procedure was gone through with in that case.

So I undertake to say that whether the Senator from Georgia is right about this matter or whether I am right, whether the commission has the power to go into this investigation or has not the power, it will not proceed until the whole thing goes through the long, dreary, weary way clear up to the Supreme Court of the United States to determine these legal question. It need not be said that the shrewd 184 lawyers who represented the protestants against the resolution are not aware that this opportunity thus to delay proceedings and perhaps eventually to defeat them.

But it has been said, Mr. President, that the investigation ought not to be prosecuted because the Federal Trade Commission has already made the investigation. Of course, if that is true, there is no reason why the resolution, as amended as the Senator from Georgia desires to have it amended, should be adopted. If the investigation has already been made, there is only one rational thing to do, and that is to defeat the resolution for any investigation at all.

What is the fact about the matter? I have here the first report of the Federal Trade Commission, and I refer to the index of that report. I call attention to the nature of the investigation sought to be had here. We want to find out what assets there may be back of the securities these companies are putting out, what bonuses they pay for the sale of them, what commissions enter into the thing, and we want to go into the whole question as to whether these securities are backed by proper revenues of the company or whether they are largely water. Nothing of the kind appears in the report of the Federal Trade Commission on the investigation heretofore made. It had no power or authority under the resolution to go into that kind of thing. All it had power to inquire into was whether there was a power trust in the country, not whether it was issuing securities that were of value, not whether the subsidiary companies were charging rates that were too high to thus bolster up and afford a basis for the issuance of these securities. There is nothing of that kind in the report. I call attention to the index of the first volume:

> Part I. Extent of General Electric control:
> Chapter I. Basis and nature of the inquiry.
> Chapter II. General Electric interests in electric power companies.
> Chapter III. Comparative importance of General Electric power interests.
> Chapter IV. Stockholders in common and interlocking directorates.
> Part II. Development of General Electric interests:
> Chapter V. The Electric Bond & Share Co.
> Chapter VI. American Gas & Electric Co. group.
> Chapter VII. The American Power & Light Co. group.
> Chapter VIII. The Electric Power & Light Corporation group.
> Chapter IX. The Lehigh Power Securities Corporation group.

And so on down the list, without a suggestion concerning the reasonableness of the rates that any of those corporations charge or the value of securities which they issue. I ask that this index may be incorporated in the RECORD as an exhibit to my remarks.

The PRESIDING OFFICER. Without objection, that order will be made.

(See Exhibit B.)

Mr. WALSH of Montana. So I have before me the later report of the commission. The index of that report likewise carries no suggestion whatever of any investigation such as is contemplated by this resolution. Part 1 deals with "The supply of electrical equipment." It is divided into chapters, as follows:

> Chapter I. Basis and scope.
> Chapter II. Historical milestones in electrical development.
> Chapter III. Electrical manufacturing companies.
> Chapter IV. Growth and profit of the General Electric Co.
> Chapter V. Comparative importance of the General Electric Co.

And so forth, and so forth. No one has called attention to anything in either of these reports which deals with the subject that we are seeking to inquire into by the resolution now under consideration by the Senate. I ask that this index be incorporated in the RECORD as a further exhibit to my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The matter referred to will be found as Exhibit No. 3, at the end of the speech of Mr. WALSH of Montana.)

Mr. WALSH of Montana. Mr. President, let me inquire whether it is possible to find anywhere anything like the facts that I presented to the Senate on day before yesterday concerning the capitalization of the corporation developing the Mitchell Dam project in the State of Alabama on the Coosa River, showing that out of an investment of $10,900,000, as returned by the company, at least $3,000,000 were thrown out by the auditors of the Federal Power Commission as entirely unwarranted; and yet the great sum of $10,900,000 was to be made the basis of the rates that the people in that locality were to pay for all time to come for the service that was to be rendered from that project. Nothing of that kind will be found in the report of the commission.

Mr. President, I inquire of Senators whether it is not altogether likely that exactly the same process of padding has taken place with reference to many of the corporations that

are thus offering their service to the public without any real substantial values back of them?

When this matter was before the Interstate Commerce Committee attention was called to an article appearing in a St. Louis newspaper concerning transactions connected with the Laclede Gas Light Co. of that city. It was disclosed that a man came into that city and, in the short space of two or three years, bought up the Laclede light plant of the city of St. Louis and put out bonds and stock to the amount of something over $4,000,000 that had not a penny of assets back of them. Mr. President, those were circulated and sold to the general public through a banking house in the city of Pittsburgh. The editorial appearing in the St. Louis Post-Dispatch of January 17, 1928, in reference to the Laclede Co. is as follows:

WHAT HAPPENED TO LACLEDE?

The Post-Dispatch does not know, and does not pretend to know, what will happen if the State public-service commission permits the City Utilities Co. to purchase 40 per cent of the stock of the Public Service Co.

The Post-Dispatch does know what happened to the Laclede Gas Light Co.

Charles A. Munroe came down from Chicago in 1924 and bought control of Laclede. The price was $5,650,000. He himself put up $1,200,000, and five of his associates supplied the $4,500,000.

Mr. Munroe came to St. Louis with admirable sentiments and pretty words. This was not speculative adventure for him. This was an investment. St. Louis was to be his home. He had left Chicago forever. Such, in substance, was his salutatory. The State public service commission, we imagine, remembers Munroe's pleasing manner and beguiling talk.

What happened? Munroe at once organized a holding company under the name of the Laclede Gas & Electric Co. The only property of that holding company was the common stock of the Laclede Gas Light Co.

What next? With this common stock as its only security, the holding company issued the following securities: Bonds, $4,700,000; preferred stock, $1,260,000; common stock, 200,000 shares.

The next step? Munroe gave the bonds to his five associates to reimburse them for $4,500,000 they had provided in the original purchase. He kept the $1,260,000 of preferred stock to reimburse himself for his original investment. Of the 200,000 shares of common stock, Munroe kept 60 per cent and his five associates got the remaining 40 per cent.

About a year later the five associates sold their $4,700,000 of bonds to the Union Trust Co. of Pittsburgh, which in turn sold them to the investing public.

The status then was: Munroe and his five associates, by possession of the common stock of the holding company, retained controlling ownership of the Laclede Gas Light Co. and it had not cost them a cent. Subsequently they sold this control to another Chicago public-utility magnate at a handsome profit. Munroe cleaned up something like $4,470,000.

Is this typical of holding company financing? We do not say so. But it did happen in the case of Laclede, and if there is anything to prevent similar juggling with our local transportation utility, other than the disinclination of Mr. Newman and his associates to make a lot of money, we should like to know what it is.

This is not unusual, Mr. President; it is not at all unusual. My files are stacked with information of exactly the same character. Indeed, I asserted in the address which I made in the Senate a year ago, and I am informed upon the most reliable authority, that one of the organizers of these great combinations has cleaned up within the last two or three years something like $200,000,000. Of course, either the stocks which were sold to the public have nothing back of them better than water or air, or else the people of the country are obliged to make up the amount in the excess rates which they are obliged to pay for the service of these public utility corporations.

But, Mr. President, it is suggested that there was no showing before the Interstate Commerce Committee warranting this investigation, and when I asserted that there was no one appearing against the resolution and against the investigation except representatives of the very industry that was to be investigated, it was retorted that I did not bring witnesses to testify that the rates were excessive. No; but the committee had before it the address which I delivered here in the Senate, as I said, a year ago, and in that address I showed that the price of the stocks of some of these great holding companies have mounted high within the last few years. Thus, the stock of the American Gas Co. that was quoted in 1921 at 49 went up in 1924 to 140 and in 1925 to 179; the stock of the American Light & Traction Co., quoted at 112 in 1921 was quoted at 249 in 1925; the stock of the American Water Works & Electric Co., quoted at 6 in 1921 went up to 200 in 1925; the stock of the Midwest Utilities Co., the Insull company, quoted at 24 in 1921 mounted to 112 in 1925; the stock of the North American Co., quoted at 46 in 1921 mounted to the almost inconceivable figure of 687 in 1925.

I should say in explanation with reference to the North American Co. that their stock was originally $100 face value and that $100 face value stock was quoted in 1921 at $46 a share. They then split it up into $10 shares, and the $10 shares were in 1925 quoted at $68 a share; in other words, there was an advance from $46 to $680 on the basis of the old stock of 1921. What do those figures indicate? They indicate that the corporations have been making inordinate profits upon their stocks, and therefore the stocks have commanded these high prices in the market.

But, Mr. President, that was not the only evidence submitted to the committee to show that inordinate and excessive prices for service have been charged for and have been received by these companies. There was abundant other evidence. It was in evidence that there had been practically no decline whatever in the price of electrical energy, or something like half a cent per kilowatt-hour, between 1921 and 1925. Yet it is well known that all commodities generally fell in price during that same period something like 60 per cent. In other words, the same money which the public utilities were earning in 1921 would buy in 1925 at least 40 per cent more of the commodities generally purchased than their earnings would buy in 1921. The price of electric service did not go down in proportion to the decline in the price of other commodities, and particularly the price of farm commodities.

More than that, Mr. President, during this time the cost of producing electrical energy was constantly declining, so that the quantity of coal which was required to produce a certain amount of energy in 1920, in 1925 produced something like two or three times as much; in other words, the industry had been established, improved, and perfected; the art had so advanced that the cost of producing electrical energy declined very materially during that time. That is established by facts to which I have called the attention of the Senate, indubitable in character because they come from the census reports of the United States.

But, Mr. President, I offered also to produce, and I can produce before any commission or committee that investigates this matter, a well-informed and capable man for over 10 years in the service of one of these great companies, who will testify from the reports of these companies themselves, that the rates are excessive, and that their net returns are far beyond anything that is necessary in order to secure new money for the purpose of additions, improvements, or new construction.

I did not, however, introduce this evidence before the committee. I could have gone on and supplied a lot of the material that was furnished by the Senator from Nebraska yesterday in his illuminating address, but that would have been to try this matter before the Interstate Commerce Committee.

I reserved that to be presented before the committee to be appointed under this resolution, if the committee was to be appointed, because, of course, all of this would be subject to explanation. Perhaps the apparent effect of it could be overcome. In other words, I was not going to try this matter before the Interstate Commerce Committee. My resolution was to try it before a special committee appointed by the Senate; but I could have gone on, and I could have given some very interesting figures. I could have called attention to the marvelous success that has attended the operation of the municipal light plant at the city of Tacoma, at the city of Los Angeles, at the city of Cleveland, and at the city of Seattle, and I could have compared the prices that are charged by those municipal utilities with the charges of the private corporations operating in the same territory.

I have here a letter from the engineer in charge of the electric-light plant at Tacoma, municipally owned. In this he says—and I shall ask that the entire letter be incorporated in the RECORD:

In my judgment the time has come when a thorough investigation of the power and light industry of this country is imperative; that is, from the standpoint of the people and industries of the country deriving the benefits from our power resources. I am convinced that the cause which affects the high rate structure of practically every privately owned power and light utility lies in the financial set-ups of these companies. You will glean from my articles my version of this particular phase which so greatly affects the industry as it stands to-day.

Then he sent me another letter under date of November 30, 1927, in which he tells me that the average rate for all classes of energy supplied by the city of Tacoma is 1.0427 cents—that is, about 1 1/20 cents—per kilowatt-hour. Is the Senator from New York [Mr. COPELAND] giving me his attention? The rate is 3 cents in Niagara, the Senator tells us. The average rate in the city of Tacoma from a municipally owned plant is 1 1/20 cents.

I ask that these two letters be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

CITY OF TACOMA,
September 26, 1927.

Senator THOMAS J. WALSH,
Washington, D. C.

DEAR SIR: I am keenly interested to know what you have in mind regarding the instituting of a fight in the coming session of Congress for an investigation of the power industry of this country. I hope you will not think me presumptuous in writing to you and transmitting under separate cover some data which I feel you will be interested in.

I have spent several years in a study of the electric-rate structure of this country, and have prepared a considerable amount of data pertaining to it.

Some months ago I sent to Senator NORRIS some rate comparisons made between the Alabama Power Co. and the municipally owned Power & Light Utility here in Tacoma. This study covers all of the different classifications of service, and I am sending it to you, together with a series of articles written during our last State legislature session at the time we had a power bill before them.

You undoubtedly will be interested in knowing that the city of Tacoma offers the lowest power and light rates found in America. This fact is incontrovertible, and I have in my file the supporting evidence, namely, a comparative rate study of every classification of service in every State in the Union.

In my judgment the time has come when a thorough investigation of the power and light industry of this country is imperative; that is, from the standpoint of the people and industries of the country deriving the benefits from our power resources. I am convinced that the cause which affects the high rate structure of practically every privately owned power and light utility lies in the financial set-ups of these companies. You will glean from my articles my version of this particular phase which so greatly affects the industry as it stands to-day.

If at any time I may be of service to you during the controversy which naturally will be precipitated when a movement of this kind is started, I want you to feel free to call upon me.

We have made considerable progress in the State of Washington along this line and we have in the way of a practical example the cities of Tacoma and Seattle, which is of invaluable support in fighting the rate structure of the private power companies. Taken as a whole, rates are considerably lower in this section of the country than in the eastern section. I attribute this directly to the effort expended in this State, together with the practical demonstration of our publicly owned plants.

Yours sincerely,

KENNETH G. HARLAN,
Public Utility Engineer.

TACOMA, WASH., *November 30, 1927.*

Senator THOMAS J. WALSH,
Washington, D. C.

DEAR MR. WALSH: Replying to your letter of November 18, or rather to the inclosure dated November 17, which was in answer to my letter of September 26, I am inclosing a table showing the different classifications of service in Tacoma, together with the total revenues derived from each classification and average rate per kilowatt-hour. The commercial lighting classification includes both residential and commercial service. The city of Tacoma did not segregate these classifications until recently—in a few months we will be able to make the segregation between residential and commercial. The commercial power classification includes all power business with an average rate of 6.37 mills. The greater part of the last item, "Energy to other utilities," represents power furnished to the municipal lighting plant of Seattle.

The average rate of 1.0427 cents, which represents the combined classifications of service is, of course, an especially low average rate; moreover, it is a rate that can not be matched by any rate in America, and when we make this statement it is made without fear of successful contradiction, because the exhaustive studies that I have made are conclusive evidence that this rate is not only the lowest rate but is substantially below any other which to-day exists.

The reason for Tacoma's low power and light rates is obvious, and you no doubt are aware of the conditions that have made possible this low-rate structure. Briefly, it can be predicated upon three outstanding conditions: First, a low cost of horsepower (kilowatt development); second, the greater part of the indebtedness has been amortized. At this date the outstanding indebtedness represents less than $30 per horsepower; this may be contrasted with the private power companies' indebtedness, which exceeds $400 per horsepower.

Third, notwithstanding the private power companies' claim that our plant is politically operated and consequently wasteful, our operating expense record purports to show that our power and light system has been operated with exceptional efficiency and low cost per kilowatt output and per kilowatt-hour sold.

The private power companies, in my judgment, will never be able to match Tacoma's rates, because their outstanding indebtedness never diminishes, but constantly increases year after year, which necessitates additional revenues to be secured through the medium of rates to pay interest upon indebtedness which will never be amortized.

In face of Tacoma's low rate, our power and light plant, last year, earned a net of approximately $1,000,000, and notwithstanding a substantial reduction amounting to approximately 17 per cent this year's indications are that our net earnings will exceed $1,000,000.

I have a great deal of data which is, in my opinion, pertinent to your issue, but it is a little difficult to segregate this data and to know exactly what portions would serve you best.

I have sent Senator NORRIS a considerable amount of data, mostly comparative tables of power and light rates. I have compilations for all comparative rates, for all classifications of service, in all parts of the United States. I also have considerable information pertaining to the Ontario Power Commission's operations and pertaining to the regulatory methods and policies of the various power companies operating throughout the United States.

If I can be of further service in the fight you are contemplating you may feel free to call upon me as I am extremely interested in the issue and assure you that I will gladly lend you any support that is in my power to give.

Naturally, because of the struggle we have had in this State over this same issue, we have accumulated a great deal of data and have devoted a great deal of study, not only to the issue as it affects our State, but to the broader principles as they affect the entire Nation.

At an early date I will forward several photostatic copies of the inclosed tables.

Yours sincerely,

KENNETH G. HARLAN,
Public Utility Engineer.

Mr. WALSH of Montana. With these letters there came some figures quite like those given to the Senate by the junior Senator from Nebraska [Mr. HOWELL] on yesterday. Mr. Harlan furnished me a table, a comparison of rates charged by the municipal plant of Tacoma, Wash., and the rates charged by the Alabama Power Co.

In Tacoma the contractor for 10 horsepower, or 7.46 kilowatt-hours, gets his power for 1.47 cents. The Alabama Power Co. charges for the same thing 4.38 cents.

For 25 horsepower the city of Tacoma charges 1.47 cents. The Alabama Power Co. charges 3.88 cents.

For 50 horsepower the city of Tacoma charges 1.47 cents. The Alabama Power Co. charges 3.63 cents.

For 200 horsepower the city of Tacoma charges 0.976 cent. The Alabama Power Co. charges 1.1 cents.

So on down the list.

For 20,000 horsepower the rate in Tacoma is 0.377 cent, and the Alabama Power Co. charges 0.853 cent.

In other words, as compared with the Alabama Power Co. the Tacoma rates show a difference in the case of small quantities of power of 198.2 per cent, and in the case of large quantities of power of 126.3 per cent. These figures are the figures given out by the Alabama Power Co. itself as to its territory, while the figures given by Tacoma are fixed by the ordinance of the city of Tacoma.

I ask that this table be incorporated in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Comparison Tacoma municipal lighting versus Alabama Power Co.

POWER

Horsepower	Kilowatts	Load factor	Consumption, kilowatt-hour	Monthly cost		Average rate per kilowatt-hour		Difference	Per cent difference
				Tacoma	Alabama Power Co.	Tacoma	Alabama Power Co.		
		P. ct.				*Cents*	*Cents*	*Cents*	
10	7.46	15	805.7	$11.86	$25.36	1.472	4.389	2.917	198.2
		25	1,342.8	14.54	48.05	1.083	3.578	2.495	230.4
		40	2,148.5	18.57	64.16	.864	2.986	2.122	245.6
25	18.65	15	2,014.2	29.65	78.26	1.472	3.885	2.413	163.9
		25	3,357.0	36.37	105.12	1.083	3.131	2.048	189.1
		40	5,371.2	46.44	141.69	.865	2.638	1.773	205.0
50	37.30	15	4,028.4	59.31	146.52	1.472	3.637	2.165	147.1
		25	6,714.0	72.74	183.09	1.083	2.727	1.644	151.8
		50	13,428.0	106.31	250.23	.792	1.864	1.072	135.4
75	55.95	20	8,056.8	99.03	224.50	1.229	2.786	1.557	126.7
		30	12,085.2	119.17	264.78	.986	2.191	1.205	122.2
		50	20,142.0	159.46	345.21	.792	1.714	.922	116.4
100	74.60	20	10,742.4	129.82	279.32	1.208	2.600	1.392	115.2
		30	16,113.6	156.68	333.04	.972	2.067	1.095	112.7
		50	26,856.0	207.12	433.60	.771	1.615	.844	109.5
200	149.20	20	21,484.8	209.64	236.33	.976	1.100	.124	12.7
		30	32,227.2	259.79	354.50	.806	1.100	.294	36.5
		50	53,712.0	324.24	581.48	.604	1.083	.479	79.3

Comparison Tacoma municipal lighting versus Alabama Power Co.—Con.

POWER—continued

Horsepower	Kilowatts	Load factor	Consumption, kilowatt-hour	Monthly cost		Average rate per kilowatt-hour		Difference	Per cent difference
				Tacoma	Alabama Power Co.	Tacoma	Alabama Power Co.		
		P. ct.				Cents	Cents	Cents	
300	223.80	20	32,227.2	$289.47	$354.50	0.898	1.100	0.202	22.5
		30	48,340.8	344.68	525.08	.713	1.086	.373	52.3
		50	80,568.0	441.37	858.18	.548	1.065	.517	94.3
500	373.00	25	67,140.0	474.19	722.47	.706	1.076	.370	52.4
		50	134,280.0	675.61	1,361.02	.503	1.014	.511	101.6
		90	241,704.0	997.88	2,306.98	.413	.954	.541	131.0
750	559.50	25	100,710.0	666.29	1,058.89	.662	1.051	.389	58.8
		50	201,420.0	968.42	1,964.57	.481	.975	.494	102.7
		90	362,556.0	1,451.82	3,334.23	.400	.920	.520	130.0
1,000	746.00	25	134,280.0	858.38	1,361.02	.639	1.014	.375	55.9
		50	268,560.0	1,261.22	2,535.26	.470	.944	.474	100.9
		90	483,408.0	1,905.76	4,361.47	.394	.902	.508	128.9
2,500	1,865.00	25	335,700.0	2,010.95	3,105.95	.599	.925	.326	54.4
		50	671,400.0	3,018.05	5,959.40	.450	.888	.438	97.3
		90	1,208,520.0	4,629.41	10,524.92	.383	.871	.488	127.4
5,000	3,730.00	25	671,400.0	3,931.90	5,959.40	.586	.888	.302	51.5
		50	1,342,800.0	5,946.10	11,666.30	.443	.869	.426	96.2
		90	2,417,040.0	9,168.82	20,797.34	.379	.860	.481	126.1
10,000	7,460.00	25	1,342,800.0	7,773.80	11,666.30	.579	.869	.290	50.1
		50	2,685,600.0	11,802.20	23,080.10	.439	.859	.420	95.7
		90	4,834,080.0	18,247.64	41,342.18	.377	.855	.478	126.8
15,000	11,190.00	25	2,014,200.0	11,615.70	17,373.20	.577	.863	.286	49.6
		50	4,028,400.0	17,658.30	34,493.90	.438	.856	.418	95.4
		90	7,251,120.0	27,326.46	61,887.02	.377	.853	.476	126.3
20,000	14,920.00	25	2,685,600.0	15,457.60	23,080.10	.576	.859	.283	49.1
		50	5,371,200.0	23,514.40	45,907.70	.438	.855	.417	95.2
		90	9,668,160.0	36,405.28	82,431.86	.377	.853	.476	126.3

Mr. WALSH of Montana. I was also furnished a schedule of the total revenues from all classes of power, the total number of kilowatt-hours, and, of course, the quotient of the two, the average rate per kilowatt-hour.

For commercial lighting, metered, the rate in Tacoma is 1.91 cents—just a little under 2 cents per kilowatt-hour for commercial lighting.

For commercial power, metered, the rate is sixty-three one-hundredths of a cent.

For municipal street lighting the rate is ninety-two one-hundredths of a cent.

For municipal building lighting the rate is 1.02 cents.

For municipal power the rate is sixty-four one-hundredths of a cent.

For other public and grounds lighting the rate is 1.56 cents.

For other public institutions' power the rate is sixty-six one-hundredths of a cent.

For electrical energy to other utilities the rate is forty-nine one-hundredths of a cent.

The average of all of these is 1.04 cents.

I ask that this schedule be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Operating revenues for 12-month period of October, 1926, to September, 1927, inclusive

	Total kilowatt-hours	Total revenues	Average rate per kilowatt-hour
			Cents
Commercial lighting, metered	54,092,697	$1,035,441.36	1.9142
Commercial power, metered	80,342,282	512,238.84	.6376
Municipal street lighting	5,363,182	49,383.80	.9208
Municipal building lighting	630,356	6,469.80	1.0264
Municipal power	2,337,978	15,032.80	.6430
Other public and grounds lighting	677,755	10,576.29	1.5605
Other public institutions, power	2,480,502	16,439.11	.6672
Electrical energy to other utilities	22,723,579	112,976.30	.4972
Total	168,648,331	1,758,558.30	1.0427

KENNETH G. HARLAN,
Public Utility Engineer.

TACOMA, WASH., *October 22, 1927.*

Mr. WALSH of Montana. It appears that out there in the State of Washington they have been having quite a contest between these municipally owned plants of Seattle and Tacoma and the plants of the private corporations operating in the State of Washington, so that a comparison can be instituted between the municipal plants and the private plants operating in exactly the same territory.

Thus, the Puget Sound Power & Light Co. furnishes light for Seattle in part, Bellingham, and Everett. Its average rate is 1.64 cents.

In Tacoma the rate is 1.24 cents.

In Spokane the rate is 1.86 cents.

The rate of the Grays Harbor Railway & Light Co. is 3.53 cents.

The rate of the Yakima-Walla Walla system is 3.69 cents.

Walla Walla pays 4.37 cents.

Yakima pays 4.18 cents.

Pomeroy pays 6.15 cents.

Portland, Oreg., pays 2.03 cents.

I offer for the RECORD the article in which this schedule appears.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The matter referred to is as follows:

TACOMA RATES ARE LOWEST IN THE STATE—POWER COSTS LOCAL USERS ONE-THIRD LESS THAN IN SEATTLE AND ONE-HALF LESS THAN IN SPOKANE; YAKIMA STILL HIGHER

[The second of a series of articles on the Metcalf power bill from the city's standpoint.]

By Kenneth G. Harlan, public-utility expert for city of Tacoma

The electrical rate structure of this State has been subject to much controversy. Rate comparisons have repeatedly been made in support of divers contentions. However, the ordinary rate comparison is of little value, for there are points in any rate structure that can easily be chosen which will purport to show to the advantage or disadvantage of each respective utility. In order to make proper comparisons, various factors must be given due consideration; for instance, a comparison based upon a consumption of electricity at an extremely low point, or vice versa, carries an erroneous impression because of the fact that only a small per cent of service falls within its scope.

Proper and fair comparisons can only be made upon energy consumption falling in the zones which represent the bulk of service. Also comparisons are often made upon certain schedules which represent only a small portion of service such as special power rates applicable to a small restricted classification. Obviously, such comparisons, while they may be properly computed, are void of any material importance, nor can they be seriously considered when true comparison of rates are sought.

A method of rate comparison, however, which is accurate and true, is the comparison of the total amount of energy sold to customers divided into the gross revenues received therefrom which results in an average rate. Such computations can either be based upon each schedule or by combining all schedules. Space will not permit comparisons of each schedule; therefore, comparisons of combined schedules must suffice.

	Kilowatt-hours	Operating revenue	Average rate per kilowatt-hour
Year 1925			
			Cents
Puget Sound Power & Light Co. (Seattle, Bellingham, and Everett)	257,204,373	$4,240,998.60	1.6488
Spokane	123,928,713	2,312,872.92	1.8663
Tacoma	131,415,703	1,633,654.94	1.2431
Grays Harbor Railway & Light Co.	17,169,897	606,824.72	3.5342
Year 1925			
Yakima-Walla Walla System	44,657,322	1,649,679.02	3.6943
Walla Walla	8,771,381	383,328.98	4.3702
Yakima	13,562,740	567,399.91	4.1835
Pomeroy	533,608	32,834.51	6.1583
Portland, Oreg.	301,631,116	6,146,401.24	2.0377

AVERAGE POWER RATE

The foregoing computations are based upon the combined amount of energy served annually to all classifications of business divided into the total revenue received, which gives the average rate of kilowatt-hour, and which in the last analysis reveals the true status of the rate structure, irrespective of what may result in the comparison of rates at certain points or in certain schedules or classifications of service. It is interesting to note the low average rate given by the city of Tacoma as compared to the average rate per kilowatt-hour for power companies. The following tables will emphasize to a greater extent the pronounced difference which exists:

Seattle, Everett, and Bellingham (year 1925)

257,204,373 kilowatt-hours, at 1.6488 cents (Seattle, Everett, Bellingham)	$4,240,998.60
257,204,373 kilowatt-hours, at 1.2431 cents (Tacoma)	3,197,307.56
Savings based on Tacoma average rate	1,043,691.04

From the above table it is apparent that had the cities of Seattle, Everett, and Bellingham enjoyed the average rate which Tacoma gives

to her people and industry, those cities would have been saved $1,043,691.04, or, putting it another way, these cities paid an average rate which was 33 per cent greater than that of Tacoma. The foregoing computations are based upon the Puget Sound Power & Light Co. rates, and do not include Seattle's city light plant.

Spokane (year 1925)

123,928,714 kilowatt-hours, at 1.8663 cents (Spokane)	$2,321,872.92
123,928,714 kilowatt-hours, at 1.2431 cents (Tacoma)	1,540,557.84
Savings based on Tacoma average rate	772,315.68

If Spokane had Tacoma's average rate, it would have saved to its people and industry $772,315.08, or, in other words, its average rate was 50 per cent above the average rate paid in Tacoma. According to information at hand, this sum which would have been saved to the city of Spokane alone equals very closely the total amount of taxes paid to the State of Washington by all of the private companies on their power and light properties. But the people of Spokane apparently are satisfied with their rates; Mr. Post, general counsel for the Washington Water Power Co., stated before a public legislative hearing at Olympia a few days ago that the people in his section had their feet on the ground and that the Spokane rates were the lowest in the State.

PEOPLE SATISFIED

Mr. Post surely did not expect such remarks to be taken seriously, although, apparently, such glittering generalities have served their purpose in his locality, but it is wondered if the people of Spokane really knew the true rate conditions whether or not they would continue to keep their feet "firmly upon the ground." Spokane has always been in a strategic position in respect to electric power; that city was endowed with a wonderful waterfalls in the heart of its business district. Seldom, if ever, has there been a city gifted in such a way; but has the city of Spokane or its industry capitalized this gift? The answer is obvious, for its people and its industry are paying rates 50 per cent above those paid in Tacoma, where energy is transmitted for many miles. Some day, we venture, the people of Spokane will get their feet off the ground at least long enough to peer over the almost impenetrable propagandic wall that has been built around them and view the power situation in its true light.

Portland (year 1923)

301,631,116 kilowatt-hours, at 2.0377 cents (Portland)	$6,146,401.24
301,631,116 kilowatt-hours, at 1.2431 cents (Tacoma)	3,749,576.40
Savings on Tacoma's average rate	2,396,824.84

Tacoma's average rate would have saved to the people and industry of Portland in the year 1923 $2,396,424.84. This represents more than the combined taxes of all the utilities, electric, railway, water, and gas in the entire State of Oregon.

Yakima (year 1923)

13,562,740 kilowatt-hours, at 4.19 cents (Yakima)	$567,399.91
13,562,740 kilowatt-hours, at 1.2431 cents (Tacoma)	168,598.42
Savings based on Tacoma average rate	398,801.49

Had the people in Yakima enjoyed Tacoma's average rate they would have saved to that community $398,801.49. It would be unfair to the private power companies to contend that Tacoma's average rate should be in effect in Yakima. It is fully recognized that it costs more to serve in a sparsely settled district than it does in a densely populated territory. The significance of this situation is thoroughly realized and proper consideration has been allotted to it. However, it can not be recognized to the extent of the existing rate differentials or to an average rate of more than three times that which is paid in Tacoma.

The people in the Yakima district, in the event that the Metcalf power bill becomes a law, could build a "tie line" to the closest point in the system now owned and operated by the municipally owned plants, purchasing their energy from this source and thereby would be able to enjoy a rate much less than that which they are now paying to the private power company. Then surely this matter must bear a close relation to the proposed power issue. The opinion has been expressed that the matter of rates is irrelevant to the Metcalf power bill and that rates have no relation to taxes. It seems absurd that anyone who has given serious thought to this subject could fail to recognize the existing relation.

(The succeeding article will be given to a discussion of the reasons why municipally owned and operated plants are able to sell at a lower rate.)

Mr. WALSH of Montana. Then in the controversy had out there it was represented, as has been so often represented, that of course the municipal plant does not pay any taxes, and therefore it can afford to offer its service and its energy at a less rate than the privately owned corporation; but the gentleman who runs the plant out there, Mr. Kenneth Harlan, an eminent engineer, takes up that matter in a discussion, and shows that the amount of taxes paid by the private corporation, distributed proportionally in its business, makes practically no difference whatever in the total rate per kilowatt-hour. In other words, if the amount paid for taxes per kilowatt-hour produced were added to the rate charged by the municipality, it would still be very materially less than the rate charged by the private corporation.

I ask that Mr. Harlan's article on that subject, and two other articles by him on the same general topic, be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

EXPERT DISCUSSES METCALF MEASURE—RELATION OF COST OF ELECTRIC POWER TO TAXES PAID BY PRIVATE COMPANIES EXPLAINED BY TACOMA PUBLIC-UTILITY ENGINEER

By Kenneth G. Harlan, public-utility expert for city of Tacoma

(In the following article, Mr. Kenneth G. Harlan, public-utility expert for the city of Tacoma, sets forth the reasons, from the city's standpoint, why the legislature should pass the Metcalf power bill.)

Misapprehension concerning many aspects of the proposed power measure now before the State legislature appears prevalent not only in the minds of a great many citizens of this State but also among the majority of our legislators at Olympia, as well as newspaper correspondents at the statehouse. From numerous sources, and particularly those emanating from Olympia and through various newspapers, inference has been given that the proponents of the power measure have failed to present material or relevant facts in support of the power bill.

Such an impression, particularly when left with members of the legislature and broadcast through the columns of the public press, manifestly creates a reaction which is not in keeping with the true facts, but which undoubtedly is very gratifying from the standpoint of the private power interests.

The writer is somewhat curious to know just what facts are considered pertinent or relevant to this issue. It is true that if all the facts and data presented by the proponents of the power measure are to be ridiculed, belittled, and even contorted, then as a natural consequence the glittering generalities propounded by the principals and sympathizers of the private power interests will continue to influence the minds of the legislators at Olympia, as well as a great many voters in this State.

As a result of such clever manipulation and subterfuge, misconception prevails and it is because of this condition the writer has submitted to set forth in the columns of the newspapers certain concrete figures and facts which it is hoped will deal with this State's power issue in a comprehensive and relevant manner. The figures used in these articles have been taken directly from the books and records of the respective power companies in this State. Therefore they are in reality their own figures, and must be incontrovertible; the conclusions are the natural results of the figures themselves. Admittedly, statistics and figures are tiresome and uninteresting to a great many; they lack "emotional appeal," but it is imperative from a standpoint of equitable and fair determination of the power issue that concrete figures and facts, rather than phrases and generalities, be the influencing factors in the disposition of such an issue.

FACTS AVAILABLE

There is available in this State to-day a mass of condensed figures and facts that are not only pertinent and relevant, but relate directly to the power measure; they are not only available, but have been offered to the legislative bodies of this State; their authenticity and propriety may readily be determined through the department of public works, located within a few steps from the legislative halls. Earnest appeal is made to every member of the 20th session of the legislature entreating them to give this issue an open-minded and unbiased opinion; to analyze to a final conclusion the records which may be had; then when the roll is called upon Senate bill 159 to discharge their duties to the people of this State in a courageous manner, predicated upon thorough knowledge of the material facts.

Irrespective of the outcome of this bill, the power issue will remain a live issue, and with little doubt, if it fails in this session of the legislature, will again be carried to the voters of this State, where in the past two years its support has grown with such increasing intensity that its approval by the people seems assured. For this reason, if for no other, the legislature should attempt to solve the power problem at this time and, if failing in a solution, should refer it to the people of this State at the next general election.

The power issue as it now stands before the State legislature in the form of the Metcalf power bill is not new. In substance it is the same issue that has been before this State for many years, and obviously it will remain a paramount issue until such time that a law is placed upon the statute books which will permit the people to enjoy a competitive field in the power and light industry. The proposed Metcalf power bill would give cities a right to compete with private power companies outside of their corporate limits for a distance of 10 miles. It would give the right to purchase to any other city or governmental agency owning its own distribution system situated within 50 miles of the corporate limits or 25 miles of a transmission line connecting a city with this power plant. Such city or town would likewise be

permitted to sell electrical energy within 10 miles of its corporate limits.

During the Bone power bill campaign in the year 1924 the private power company speakers on numerous occasions vigorously contended that it was not competition they feared. They boasted of their efficiency in power production and distribution and condemned in no uncertain terms the efficiency of what they branded "politically managed plants." They averred that their real objection to a power measure of this kind was not because of competition but because of the unfairness in taxing their business while the competing cities would go tax free.

Apparently these contentions were not made in good faith, for it now seems obvious that no matter what kind of a power bill might be submitted if it conferred the right to cities to enter the territory that the private power companies call "our territory" such would meet with just as bitter opposition from the private power interests. This fact is borne out in the present Metcalf power bill, which would cause a 5 per cent tax to be levied upon gross operating revenues, yet notwithstanding this tax, which was proposed for the purpose of placing competition upon a parity so far as taxes were concerned, it is very apparent that just as vigorous opposition is manifested by the private power interests as there was against the Bone bill, which did not carry a tax at all.

It may be contended that the proposed tax of 5 per cent in the Metcalf power bill is insufficient and possibly not equal to that which the private power company pays. The question of taxes which should be imposed on gross sales in order that it be comparable to that paid by the private companies was a subject of careful consideration, and it was found that 5 per cent corresponds very closely to the actual taxes paid to the State of Washington upon power and light properties. The following figures are set forth in support of the foregoing statement. These figures were taken directly from the books of the Pacific Power & Light Co. and show the exact amount of taxes it paid to the State for the year 1923:

Real and personal taxes	$80,732.25
Gross operating revenues	1,649,679.02

Taxes equal 4.89 per cent of gross operating revenues.

From the above figures it is apparent that the Pacific Power & Light Co., which operates in the entire southeastern section of this State, actually paid to the State a tax of 4.89 per cent, based on its gross sales; yet, in face of this fact, the said company furnished its share of the propaganda that has been broadcast to the remotest corner of this State, declaring that the private power company paid $10 in taxes to the State out of every $100 that they received in gross revenues. In order that the writer's statements may not be construed as "mere conversation," the following excerpt from a pamphlet issued in the year 1924 is presented:

"CLAIM TO PAY 10 PER CENT

"Few citizens of the State realize that the power company, according to law, pays 10 per cent of its gross revenues into State taxes and is therefore one of the heaviest taxpayers of the State. In the southern section of the inland empire the Pacific Power & Light Co. pays a total of $103,000, while in the Walla Walla district alone the taxes amount to $41,000."

To emphasize the absolute disregard this private power company had for veracity, attention is directed to the actual taxes paid in Walla Walla County in the year 1923, which amounted to $8,616.25, as compared to the $41,000 that appears in the published statement, and 4.89 per cent as a combined tax paid to the State instead of 10 per cent as claimed. The Puget Sound Power & Light Co. has persistently set before the public the statement that out of each $100 received in operating revenue they pay $8.86 to the State in taxes.

This tax appeal has drawn to them a great many supporters, but because the statement is only half true, the argument based upon it should have nothing to commend it. It seems pertinent at this time, in order that the tax statement of the private power companies be clarified, to again ask these companies to allocate these taxes to their different holdings; render a statement to the legislature of this State, showing what portion of the $8.86 out of every $100 represents Federal income tax, taxes on electric-railway systems, coal mines, bus lines, and other allied enterprises.

It seems high time that the State should know the exact facts relating to these taxes which the private companies claim they pay, for the thing which seems most relevant at this time is the amount of taxes that the private power interests pay upon their power and light properties in this State. By virtue of the actual case of the Pacific Power & Light Co., it seems reasonable to assume that the taxes paid by Stone-Webster and the Washington Water Power Co. should be very close to those paid by the Pacific Power & Light Co., which amounted to $4.89 out of every $100 in revenue, instead of the $10 which they claim.

FIVE PER CENT TAX SUFFICIENT

In further support of the 5 per cent tax proposed in the Metcalf bill, it is found that in the year 1925 the private companies of this State received in gross revenues from the sale of electrical energy $17,346,097. Five per cent of this equals $867,304.85. It would seem that this figure could be used to advantage by the legislature; if it is found by them that the actual taxes paid to the State by the private power companies upon their power and light properties exceed this figure, then some fault might be found with the Metcalf power bill.

On the other hand, if it is found that the taxes paid by the private power companies are in the proximity of the $867,304.84, it would indicate that the tax feature in the Metcalf power bill is equitable and fair. The only case where allocation has been made public to the writer's knowledge was in the case of the Pacific Power & Light Co. above referred to, which strongly supports the 5 per cent tax.

Looking at the tax question from another angle, the Yakima-Walla Walla region in the year 1923 furnished 23,000 customers for the private power company. Predicated upon the aforementioned taxes paid by this company, it is found that each customer paid for the company in their power and light bills an average tax of $3.33 per customer per year. For many years the patrons of this power company were dissatisfied with rates prescribed and in the year 1925, after a hard-fought battle on rates before the regulatory body of this State, and after municipal development had been threatened, an annual reduction of $250,000 was secured. Compare this savings to taxes. The savings resulting from the rate fight, based upon customers, amounted to an average of $10.87 per customer per year, or more than three times the amount of the charge for taxes.

TAX COLLECTORS

I say "charge" for taxes, because it must be admitted that the private power companies in reality do not pay taxes. They are tax collectors, but the taxes are paid by their customers, for the reason that they are not on a competitive basis, but, instead, fall under State regulation, which permits them to earn a fair rate of return after all operating expenses and taxes are deducted.

Aberdeen is another case where the mere threat of municipal development brought down the rates of the private company so that the savings represented many times what the taxes were. If, in the case of southeastern Washington, $10.87 per customer each year could be saved through an organized fight and through a mere gesture toward a publicly owned plant, and if the city of Aberdeen by mere threat of municipal development could force rates down so that the savings in these respectives districts equaled many times what the taxes paid by them for the private power company amounted to, then what would be the effect of the Metcalf power bill upon not only certain districts in this State, but upon every district? It seems reasonable that rates would immediately be reduced by the private power companies to a level where there would be no incentive on the parts of various districts to seek competition through "tie line" service from the municipally owned plants.

In the event that such assumptions are correct, what would be the effect of a small reduction in rates? In the year 1925 there was served to the people and industry of this State by the private power company, in round figures, 990,000,000 kilowatt-hours. Assuming that the effect of the Metcalf power bill would result in a reduction of only 1 mill, or one-tenth of 1 cent, per kilowatt-hour, the savings to power and light consumers in this State now receiving service from the private companies would be $990,000.

FINANCING CAUSES HIGH POWER RATES—BONDS AND STOCK ISSUED ON "HOPES" AND GOOD WILL MUST PAY DIVIDENDS TO PARENT COMPANY—ORIGINAL COST NEVER AMORTIZED

By Kenneth G. Harlan, public-utility expert for city of Tacoma

After more than 30 years of municipal ownership, the city of Tacoma has to-day reached a preeminent position in the power and light industry of this Nation. Preeminent because it has given to its people and its industry the lowest power and light rates in America, and at the same time experienced substantial net earnings which last year amounted to approximately $1,000,000 for the current period; second to none in the character of its hydroelectric developments and in its transmission and distribution, it stands before the power industry of this country as a challenge to all private power interests whose rates and charges are all that tariffs will bear, and which have made the people and industry of their domains the economic slaves of an Eastern financial combine—and those are not mere words. If it is thought so, ask yourselves this question: Why are Tacoma's rates lower than those of the private power interests?

Why can this city sell for less? That rates are lower is incontrovertible, but for what reason? Why? That is the question which stands out persistently in the minds of many at this moment. Acute controversy prevails throughout the State concerning this matter. The question has been asked: "Is it because the private companies pay taxes where the city plants do not"? No—that apparently is not the reason; possibly few realize that Tacoma's power and light plant pays each year to the general fund a 5 per cent tax based upon its gross revenue, which last year amounted to more than $80,000, and which appears equivalent to the taxes paid by the private power companies upon their "power and light" properties in this State.

Is it, then, because the municipally owned plants can operate more efficiently? It is doubtful if they should, although apparently they do,

for under State regulation there is little incentive for the private companies to maintain management and overhead costs within the bounds of reason; only in a competitive field will minimum overhead costs and efficient management of private companies prevail, but under State regulation a public utility is allowed a fair return upon its "rate base" after all expenses, taxes, and depreciation allowances are deducted, and invariably the "rate base" carries large intangible values representing "water rights," "development costs," "going-concern values," and even good will. However, efficient operation, while important, is not the primary reason why Tacoma rates are lowest.

FINANCING IS REASON

The prime reason apparently lies in the methods and policies of the private power utilities in financing their business, notwithstanding the policy of State regulation, which in theory permits earnings based only upon "prudent investment."

No comment upon public utility finance could omit consideration of the age-old charge of stock watering; that is to say, the overissues of securities in proportion to the actual investment. By way of concrete illustration: In the year 1910 an eastern syndicate invaded a certain section of this State, purchasing all of the power and light properties in that particular region. The actual price paid for these properties was $3,600,000, after which $1,900,000 was spent in additions and betterments, making a total cost of $5,500,000. Within a year these same properties were turned over to a member of an eastern Power Trust whose opening entry upon its books for said properties was $10,900,000, against which stocks and bonds were issued, and which has been increased from time to time until to-day the book values exceed $23,000,000, with a corresponding amount of stocks and bond issues.

In other words, the original cost was "stepped up" from $5,500,000 to $10,900,000 and excess issues of stock floated upon what might be called "hopes"; the particular menace of such practice lies in the fact that the parent company which, in this case, as usual, is an eastern concern, looks to its subsidiary in the field to secure through the medium of rates sufficient revenue to forever pay interest upon these stocks and bonds which are issued in excess of the actual physical value of the property.

MUNICIPAL PLANT PAID FOR

The foregoing emphasizes the overextended condition existing with at least some of the private power utilities that are operating in this State, but even with those utilities whose outstanding stocks and bonds do not exceed the fair value of their property, if such a case exists, then it must be admitted that even these stocks and bonds will never be diminished or amortized. On the contrary, they will be constantly increased as plant additions are made, and the public must forever pay through the medium of rates, interest, and dividends upon this investment.

This condition presents itself in strong contrast with the municipally owned plants and obviously is the chief reason why Tacoma's rates are substantially lower and will always be lower than those of the private power companies, for in the case of the municipally owned plant eventually its indebtedness is amortized and the plant is paid for. It is then permissive to reduce rates to a level where revenue is only required for operating expenses, maintenance, and a depreciation reserve.

The power interests in the Puget Sound region have never failed of opportunity, both through the medium of advertising and vocal utterance, to direct an attack against the $19,000,000 in bonds outstanding against Seattle's city light plant, implying what a tremendous burden it is upon the taxpayers of Seattle, but they fail to ever mention the $119,000,000 in stocks and bond issues outstanding against their properties—and the singular thing about this is that these stocks and bonds will never be retired. The $19,000,000 of bonds against Seattle's municipal plant has been reduced through amortization from a much greater sum.

LOWER RATES

Ultimately this entire debt will be wiped out, which will result in additional rate reductions, and which, in turn, will force, through competition, the private company to follow suit. Eventually Seattle's plant will be paid for, all from earnings, such as has been experienced in Tacoma, where the last of the bonds against the La Grande power plant were paid off and then burned at a public jubilee.

If Tacoma's municipal plant was owned by the private power interests, it is reasonable to assume that at least $15,000,000 worth of stocks and bonds would be outstanding against it. Based on 7 per cent interest, it would be necessary to raise rates in Tacoma so that an additional revenue could be secured to pay $1,050,000 in interest on the said $15,000,000. This is based on the assumption that no bonds were now outstanding.

The recent $4,000,000 issue of bonds against the new Cushman plant, which will be amortized in a few years, would result at this time in a difference of $280,000, or, instead of the $1,050,000, the additional amount in rate increase required would be $770,000—bearing in mind that the city borrows its money at an interest rate of 5½ per cent, whereas the private company borrows mostly from its customers through "customer stock sales" at an interest rate of 7 per cent.

A widespread criticism of the unwarranted complexity of the financial set-up of these companies, particularly the top companies that feed off of the earnings of their progeny, is not without foundation. The capital structure of one of these "top-holding" companies was recently characterized by Barron's Weekly—assuredly a competent critic—as "a financial nightmare."

Thus, because of the methods of "high finance" followed by private power utilities, many States require that such utilities be conducted by domestic corporations, else they be denied the enjoyment of such rights as that of eminent domain.

SELL STOCK TO CUSTOMERS

For several years past the private power interests have persistently and elaborately set before the public the advantages of stock sales to customers. By this device of "customer ownership," as it is called, an almost inexhaustible reservoir of new capital became available, and this in turn became highly provocative for the financing of new adventures without any need of seeking capital through regular channels that might insist upon adequate securities. Consequently, because of the advantage that these companies were quick to grasp through the sale of customer stock, they have been able to finance a large portion of their enterprises from this source, with the result that in reality the people through the purchase of this customer stock, have loaned the money to build these properties, but they have no voice in its affairs nor are they conferred with any voting power; the common stock, which is invariably held by the financial combines of the East, hold full power of control; as W. Z. Ripley, professor of economics at Harvard University, states: "It is probably true in most cases that the controlling common stock of the banking or management firm standing at the head of the utility hierarchies already instanced practically represents no actual investment in first instance."

The plain truth, then, appears that the people furnish the capital to build the enormous outlays; the big power combines issue the controlling common stock to themselves, apparently in payment for "intelligent promotion," and then seek rates of a character sufficiently high to pay to themselves dividends and interest upon these stock issues that in most cases cost nothing and represent nothing.

Customer stock sales have grown in such astounding proportions in the past few years that at this writing, according to statistics, approximately 1,307,000 customers of public utilities are shareholders in their respective companies, and it is reported that the sales of securities direct to customers in the year 1925 amounted to $296,000,000.

A concluding thought on customer ownership: If it is desirable for 1,307,000 customers to own the greater part of these public utilities, would it not be infinitely better for all of the people to own all of this business, thereby dispensing with the tribute now being paid to these eastern masters of finance who have built one of the greatest monopolies known to this generation? Is there anything wrong with such reasoning, and is it clear to us why Tacoma's power and light plant, which is owned entirely by the people, is able to serve its citizens and its industry at so low a rate?

Now, regarding the relevancy of these matters to the Metcalf power bill: It should be apparent and can be consistently argued that so long as there are millions of dollars represented in outstanding stock issues far in excess of real property value, the rate structure of the private power companies will continue to remain excessive, for through the ingenuity of its experts and public-relations men, which it must be admitted are well chosen, they will continue to present seemingly logical reasons which will exert sufficient influence to permit a rate that will serve their needs, for there is no group in the State of Washington, or in the Nation, that is in closer touch with regulation or with the members of our legislature than is this group who represent the private owner interests. Only through a power measure such as the Metcalf bill is this situation likely to be altered, and only then by forced regulation through the natural laws of competition.

It is not the writer's intention to convey the impression that the present directing heads of our department of public works are other than competent or conscientiously discharging the duties of their office, but it must be admitted, for records in the State department speak for themselves, that too often in the past rates have been predicated to a great extent upon theoretical factors injected by experts of the private interests, wherein the lines of demarcation between the theoretical and actual failed to be recognized. Moreover, the department of public works has been hampered in its effort to efficiently regulate the public utilities of this State because of lack of jurisdiction. A recent rate case, now before the supreme court, strongly supports this statement, the details of which will be set forth in a succeeding article.

POWER COMPANIES' VALUATIONS HIGH—PRIVATE CORPORATIONS LISTED AT $435.33 PER HORSEPOWER, AS COMPARED WITH $42.55 FOR TACOMA MUNICIPAL PLANT

By Kenneth G. Harlan, public-utility expert for city of Tacoma, Wash.

In preceding articles the writer has endeavored to present three distinct phases pertaining to the power issue, each in its relation to the Metcalf bill. First, that the proposed 5 per cent tax on gross sales is comparable to the taxes now being paid to the State by the private

power companies upon their power and light properties; second, that the municipally owned power plants are serving electrical energy at a rate far below that of the private-power companies, and that legislation such as the Metcalf power bill would permit competition, which in turn would effect rate reductions over the entire State, resulting in a savings many times the amount of taxes now being paid upon power and light properties. Third, that the complex financial structure of the private utilities which leads up through a chain of holding companies to a New York or Boston parental throne has rendered it impossible for the private power companies to prescribe rates to match those prescribed by the municipal plants, and at the same time procure sufficient revenue to pay interest and dividends upon overissued securities, which, unlike the municipally owned plants, are never amortized.

In the State of Washington there are 75 private power and light utilities, of which, based upon operating revenue, 88 per cent represents three major holdings; that is, Puget Sound Power & Light Co., Washington Water Power Co., and the Pacific Power & Light Co., leaving only 12 per cent representing the remaining 72. The aggregate book value of these properties at the end of the year 1925 amounted to $228,000,000. But it can not be seriously contended that their physical value equals anything near this sum, although there is little doubt but that the full amount in stocks and bonds are outstanding againt these book values.

The private power companies have developed in this State 390,850 kilowatts, or 523,739 horsepower. Based on the $228,000,000, this equals $583.34 per kilowatt, or $435.38 per horsepower. Compare this to the indebtedness per horsepower outstanding against the municipally owned plants, which amounts in Seattle to $146.53 per horsepower, and in Tacoma to $42.55 per horsepower. The Puget Sound Power & Light Co. costs per horsepower, based on their outstanding stocks and bonds, equals $420.18, which is very close to the figure first quoted, representing the combined private utilities. The striking contrast existing between the private and municipal utilities should emphasize again the importance of such legislation as the Metcalf power bill.

RATE BASE VALUES

The aggregate rate base values fixed by the State Department is unknown, for, as in the case of the Puget Sound Power & Light Co., some of the rate base values have not been established. All the eastern Washington utilities and those located in remote districts have been subjected to rate base determinations; the Puget Sound Power & Light Co. being practically the only exception in the State, and it is obvious why it has not been necessary to establish a rate base for the regulation of this major utility; it is serving Seattle upon a strictly competitive basis, which district represents close to a third of the State's population, and this in itself is the strictest kind of regulation. Other surrounding territory is so located that rates are to an extent effected by the established tariffs in the competitive fields.

Consequently this utility has never, in a stricter sense, fallen under State regulation, although there are points on the east slope of the Cascades and in sections not adjacent to Seattle and Tacoma where stricter regulation no doubt would be welcome; and even in the adjacent territory if placed upon a competitive basis, undoubtedly many schedules would be reduced. The fact in itself that a portion of the Puget Sound Power & Light Co.'s business is not really being regulated by the State, but instead through the natural laws of competition, should strongly emphasize the need of the Metcalf power bill, which would accomplish this very thing not only for Seattle and Tacoma, but for the entire State of Washington.

STATE REGULATION

The following excerpt from a recent article written by W. Z. Ripley, professor of economics at Harvard University, reads: "The last serious indictment against the overdeveloped holding corporation in the public-utility field has to do with rate regulation. Under the terrific involution of accounts it may become practically impossible to allocate costs and to determine earnings as related to the investment. The holding company is exposed to the temptation to exploit its subsidiaries, taking its own profit by undue enhancement of the operating expenses of the local concerns. Alpha Co., the operating concern, apparently runs at a loss, while Omega Co., which holds its stock, pays dividends nevertheless. Such things may be accomplished by overloading management expenses. 'Too many crossed wires' was the newspaper headline applied to the Massachusetts public utilities decision in 1916, when something like $240,000 out of its total expenditures of $318,000 was paid by the North Adams Gas Light Co. to the Light, Heat & Power Corporation of West Virginia for current supplies, construction, and management. How easy for the interstate holding company to dilute earnings in order that they may become digestible in the public view; and how difficult in a massive hierarchy of such holding companies to trace anything like costs in relation to investment back to some solid bench mark. How difficult to pass upon the reasonableness of contracts for use of property or sale of power. This, too, has recently been brought to the attention of the Massachusetts Legislature. Proceedings degenerate under such circumstances into a mere muzz of words."

STATE REGULATION IMPOTENT

In preceding articles reference has repeatedly been made to State regulation. To discuss the many ramifications connected with this subject would require voluminous text. Therefore, in order to show the impotency of State regulation, a mere citation of two instances must suffice: The case of the Department of Public Works *v.* The Pacific Power & Light Co. (Cause No. 5689). After an elaborate preparation of evidence, this case came to a hearing before the regulatory body of this State, where it was found that the contentions of the complaining cities to the effect that the rate base of this company, upon which rates were predicated, or, in other words, the value upon which the people through rate charges must pay a return, included $873,922 worth of property situated in Oregon, and that for years people in both the States of Washington and Oregon had been forced to pay through the medium of rates a return to this company upon said property. The facts were conclusive, and the State department ordered the property eliminated from the rate base of the Washington system, but this order was not made retroactive and the hundreds of thousands of dollars previously paid as a return upon this property is gone forever.

But, continuing the story, this private power company was not satisfied with what was right; when denied of this added opportunity to gouge the public, it rebelled; the regulation that it had always boasted of met with little favor when it departed from its accustomed influence, so it sought through a subterfuge to gain an unfair advantage of the people it served by appealing to the courts upon the grounds of a technicality of law. It claimed that the regulatory body of this State lacked authority to correct an error that had been made years before when the previous rate base had been established for this company, at which time the error, or whatever it may be called, in allowing the Oregon properties to be a part of the Washington rate base was made. Imagine laws in this State that will permit an opinion to be handed down by our courts to the effect that the regulatory body of the State has no power to correct its own errors, defeating the very purpose for which this body was created and rendering it a regulatory body in name only, shorn of its powers to regulate, thereby rendering it powerless.

The next step in this case was to the Supreme Court, where it now rests awaiting a decision. Let us speculate results: If the Supreme Court reverses the lower court and upholds the regulatory body in its power to regulate, it is logical to assume that the private power company will appeal to the Federal courts, and if it wins there, then the State regulatory body is done, for unlike the private company it has no premise upon which it or the people can carry an issue of this nature to the Supreme Court of the United States.

STATE REGULATION HANDICAPPED

To further emphasize the handicap imposed upon State regulation, the courts of this State rendered an opinion to the effect that the sale of electric power to industries was not "public use"; therefore the regulatory body had no jurisdiction over its sale or its service. (Decision just rendered in the case of the Chelan Electric Power Co. may alter this opinion.) This accounts for the language found in the power tariffs filed by the private companies which reads, "The filing of this schedule for power not devoted to public use is voluntary on the part of the company." Operating under such conditions as this, it is little wonder that faith is ofttimes shattered in the State agencies, even though these agencies may be exerting every effort to earnestly and equitably serve the people.

If there is to be State regulation, then give to that regulatory body full and unlimited powers to regulate. If there are laws upon the statute books preventing such repeal them, and if new laws are required enact them, but in any event equip this body with ample authority and jurisdiction so that it may function in the manner intended, for under such pitiful circumstances as now exist there is little wonder that the private power companies have been able to prescribe such extortionate rates as those found in many sections of this State, and it is clearly evinced why its army of paid politicians has become all but a part of the fixtures in the lobby halls of our State legislature.

Mr. WALSH of Montana. I want to submit another table furnished me by Mr. Harlan. This shows Tacoma's power rates, and it is divided among the different industries utilizing the power.

Thus, for instance, in the cotton textiles of Tacoma there are furnished 1,317.50 horsepower, at 0.415 of a cent per kilowatt-hour—less than half a cent per kilowatt-hour.

In the foundries there is 1,987.24 horsepower used, and they pay 0.47 of a cent per kilowatt-hour.

The shipbuilding industry pays 0.57 of a cent per kilowatt-hour.

The paper-manufacturing business pays 0.41 of a cent per kilowatt-hour.

The pump-manufacturing industry pays 0.665 of a cent.

And so on down the list.

The pulp and paper manufacturing industry takes 20,000 horsepower from them at a rate of 0.398 of a cent, practically four-tenths of a cent, per kilowatt-hour.

I ask that this schedule be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Tacoma's power rates

Industry	Horsepower	Kilowatts	Kilowatt-hours	Average rate per kilowatt-hour
				Cents
Cotton textiles	1,317.50	982.86	495,361	0.415
Foundry	1,987.24	1,482.48	480,324	.470
Grain milling	803.00	599.04	86,262	.745
Rubber and tire-manufacturing	10,199.00	7,608.45	3,286,850	.416
Structural steel works	3,021.25	2,253.85	649,109	.484
Shipbuilding	311.50	232.38	75,291	.571
Paper manufacturing	855.50	638.20	344,628	.417
Auto assembly	979.75	730.89	210,496	.513
Woolen textiles	165.00	123.09	62,037	.542
Shoe manufacturing	101.00	75.35	21,701	.852
Battery manufacturing	60.00	44.76	12,891	.865
Meat packing	1,419.25	1,058.76	533,615	.414
Pump manufacturing	405.75	302.69	65,381	.665
Furniture manufacturing	498.75	372.07	80,367	.639
Paint manufacturing	153.00	114.14	24,654	.865
Pulp and paper manufacturing	20,107.24	15,000.00	7,560,000	.398

Mr. WALSH of Montana. Mr. President, it can be readily understood why these cities are forging ahead. They are attracting industries there by reason of the advantageous rates for power that are supplied by these municipal plants.

Mr. President, this does not stand alone. The city of Los Angeles makes a similar showing. The city of Cleveland makes a similar showing. All of these facts it was our purpose, if this resolution should be adopted and the investigation go forward, to bring to the attention of the committee called upon to investigate the matter. Why should I present these matters to the Interstate Commerce Committee, simply called upon, not to determine the merits of this thing, but whether or not the investigation should go on?

I referred to a clipping that came in my mail only this morning about another of these transactions, in which securities were put out vastly in excess of the confessed value of the property.

Mr. President, I was also prepared to show before this committee that in a great western city, the electric light and power plant being owned by a private corporation and a desire being manifested by companies to buy the plant, that corporation caused an appraisal of the property to be made, in order that it might have a basis for making a proposition to sell the property.

It called to its aid eminent engineers to make the appraisal for it, and the information I have was given to me by one of the appraisers who made the appraisement. They were conscious of the fact that the company was desirous of selling the property, or at least that it had in contemplation the sale of the property, and they were accordingly desirous of going as far as they possibly could to give the thing the highest value that their judgment would permit. They figured it at $4,000,000, and it was sold at that figure. Within six months the company getting it put out securities to the total amount of $11,000,000 upon the same property.

I read now from a paper published at Muncie, Ind., and probably would be of interest to the senior Senator from that State were he in the Chamber:

ELWOOD, IND., February 12.—City officials have secured some valuable information which will be used in the controversy in which the city is engaged with the Elwood Water Co. in regard to a petition filed by the company with the public service commission for an increase in rates. City Attorney H. F. Wilkie has received information from attorneys and former owners of the local plant that the present owners purchased the plant for $100,000. This amount in bonds was paid by the present owners, and the bonds are still outstanding and in the hands of residents of Wilkes-Barre, Pa., where the former owners reside.

The present owners, in asking for the rate increase, in their petition placed the value of the plant at $640,000. When the hearing was held on January 25 they refused to answer questions in regard to the purchase price. The hearing was not completed here in January, but will be resumed late this month in Indianapolis. The information in regard to the purchase price then will be introduced by the city officials. They paid $100,000 for the plant, and are asking rates of the consumers of water in that city based upon a valuation of over $600,000.

It is a few of these things, Mr. President, that we would like to look into. We would like to find out whether the public are being charged excessive rates to pay dividends upon this watered stock, or whether the rates are down where they ought to be, and there is absolutely nothing to be expected in the way of return from these stocks on the part of those who have been induced to buy them.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. BARKLEY. Are these some of the bonds concerning which it was stated a day or two ago that there had been no default in the payment of interest?

Mr. WALSH of Montana. I am unable to say that.

Mr. BARKLEY. The statement was made that none of the bonds of these public utilities outstanding had defaulted in the payment of interest.

Mr. WALSH of Montana. So I am told.

Mr. BARKLEY. I was wondering whether that statement included these bonds that are based upon the transactions to which the Senator has reference.

Mr. WALSH of Montana. I am unable to advise the Senator. I am going to call the attention of the Senate to another interesting transaction. I said in the address which I delivered here a year ago that there had been a feverish competition between these great holding companies for the acquisition of operating properties in the different States, they paying outrageous prices for them.

I call attention to an article which appeared on the 4th day of last August in the Manufacturers Record, a magazine published over in the city of Baltimore. I read as follows:

Recently an effort was made by the Electric Public Utilities Co., a Delaware corporation, to buy four electric companies in Maryland, as follows: The Lonaconing Electric Light Co., the Emmitsburg Electric Co., the Antietam Electric Light & Power Co., and the Midland Electric Light Co. These plants are located in small towns throughout the State.

The Lonaconing company has 550 shares of stock with a par value of $13,875, the Emmitsburg company 1,500 shares with a par value of $15,000, the Antietam company 115 shares with a par value of $11,500, and the Midland company 500 shares with a par value of $5,000, making a total for the four companies of $45,375. The price offered for these plants was $468,000 cash, plus a bonded indebtedness of $50,000, making a total of $518,000.

The Maryland commission—all honor to them—said, "You can not do business in this State on that basis. We will not tolerate the business at all." But that is not peculiar; it is not extraordinary at all. The thing has been going on all over the United States, the most exorbitant prices being paid for these companies. This article continues:

The engineers of the public-service commission made a report giving a replacement value on these four properties of something over $200,000, and a firm of engineers made a replacement value of something over $300,000. The price agreed upon between the buyer and seller was $518,000, and the annual profit on that price, as indicated by the earnings for the last three years, would be about 9 per cent.

The application was denied. The article continues:

Discussing this situation with an engineer who has recently come across several transactions of this kind, he made the statement that a friend of his had netted about $500,000 profit recently by buying up small utility companies in the South, spending a few thousand dollars on improvements, and then selling them at high figures to big electric combinations. He stated that as public-service commissions give to these companies the right to charge a rate which yields a profit of 7 to 8 per cent on the total valuation, many of them were perfectly willing to pay a big price to the intermediary, because capitalized or valued at these high prices they were still allowed to make 7 or 8 per cent by public-service commissions.

Mr. President, I have been accused by the Senator from Georgia of having been intemperate in my views, and perhaps in my language, in the discussion of this subject. I think it might be retorted that no great degree of judicial impartiality was exhibited by the Senator himself, in charging, for instance, that we had accused the Federal Trade Commission of being corrupt, and that we were engaged in a plot to destroy a great industry. But when I think of the mass of stuff that has come to me during the last six months, of the nature of which you can get some intimation by these examples which I have produced before you, I feel like saying, in the classic language of Lord Clive, I am surprised at my own moderation.

I do not care to comment upon the ill-tempered, not to say ill-mannered, remarks of the Senator from Maryland [Mr. BRUCE] on yesterday, addressed to me. I pass them by as the idle wind which I regard not. I have only a word to say with reference to his vitriolic and unrestrained criticism of my conduct of the inquiry into the leasing of the naval oil reserves. I desire to say with reference to that, only this, that on a former occasion the Senator from Maryland, having put out a statement of the same character, I challenged it upon the floor of the Senate, and he declared that he had no purpose what-

ever to embrace me in the general denunciation which he had directed against senatorial investigations, although his language was incapable of any other construction. Yet on yesterday his remarks were pitched in another key.

Mr. President, I have said all I care to say about this matter. I have done my duty as I see it, with one purpose, and one purpose only, regardless of criticisms that may be aimed at me, to serve the people of the country in the obligation that I saw before me.

EXHIBIT 1

(Memorandum for Senator WALSH re injunction suits, etc., against the Federal Trade Commission)

(A) PROCEEDINGS IN WHICH ECONOMIC INVESTIGATIONS OF THE COMMISSION WERE HALTED BY INJUNCTIONS)

(1) THE CLAIRE FURNACE CO. CASE

In 1919 the press, the public, and various branches of State and National Governments were giving great attention to the enormous increase in the cost of the great majority of the necessities of life. In August of that year the Federal Trade Commission was asked by Congress what it could do touching the then high cost of living; and in response to the inquiry members of the commission appeared before the Commttee on Appropriations of the House of Representatives and suggested that a thorough inquiry into and publication of the facts respecting production, prices, and costs of certain basic commodities would, in their opinion, be of the greatest value to the country at large, to Congress, to the courts, to the prosecuting arm of the Government, and to business itself in ascertaining causes of the conditions existing. Asked what articles or industry should be investigated, the then chairman of the commission suggested fuel, steel, and several other basic commodities. As a result of this suggestion money was appropriated, and the commission sent questionnaires to practically all corporations engaged in the manufacture and sale in interstate commerce of steel products, requesting monthly reports showing the quantities of products manufactured, plant capacity, orders booked during the month, cost of manufacturing, prices at which sold in domestic and foreign commerce, and general income statements and balance sheets. The declared purpose of the inquiry was to publish the information acquired in totals, without divulging the identity of the concerns furnishing the data, for the purpose of showing existing conditions in the production and sale of steel products. The Claire Furnace Co. and certain other corporations declined to make the reports, and joined in a suit in equity to restrain the commission from proceeding in any manner to compel the production of the information or to impose any penalties for failure to produce it.

The Supreme Court of the District of Columbia, in which the suit was instituted, issued a permanent injunction on the ground that the information sought by the commission was not information respecting interstate commerce, nor information with respect to matters so directly affecting such commerce that it could be required under the commerce clause of the Constitution.

The commission took the case to the Court of Appeals of the District of Columbia, which affirmed the decree of the lower court, Chief Justice Smyth dissenting.

The commission then appealed the case to the Supreme Court of the United States, the case being docketed in that court on March 21, 1923. A motion to advance the case was filed by the commission and granted, and the case was argued December 6, 1923. The commission's assignment of errors, among others, raised the following interesting questions:

(1) Has Congress the power to compel corporations to supply information within the field over which it has power to legislate, in order to learn whether remedial laws are required for the national welfare; (2) as a means of procuring information which Congress may itself require, may it constitutionally confer upon an administrative body authority to compel corporations to supply information, by resort to the courts, if necessary, respecting a subject over which it has jurisdiction; (a) for transmission to Congress; and (b) as a basis of reports to Congress and of recommendations to Congress for legislation by such administrative body.

On April 20, 1925, the Supreme Court directed reargument, which was had on November 24, 1925, and on April 18, 1927, this court rendered its decision dismissing the bill for want of equity.

The commission had not raised the question of the jurisdiction of the Supreme Court of the District of Columbia sitting as a court of equity to entertain the suit. However, the trade commission act provides that upon application of the Attorney General, at the request of the commission, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any person or corporation to comply with the provisions of the act or any order made in pursuance thereof; and also provides that upon failure of any corporation to file any annual or special report it shall be liable to a penalty of $100 per day for such failure, to be recovered in a civil suit. After citing these provisions, the Supreme Court held that in event of either such proceeding the parties would have an adequate opportunity to present every objection which they could urge in the suit in equity, saying in part:

"There was nothing which the commission could have done to secure enforcement of the challenged orders except to request the Attorney General to institute proceedings for a mandamus, or supply him with the necessary facts for an action to enforce the incurred forfeitures, if, exercising his discretion, he had issued either proceeding, the defendant therein would have been fully heard and could have adequately and effectively presented every ground of objection sought to be presented now, consequently, the trial court should have refused to entertain the bill in equity for an injunction."

As further reason why the statutory procedure should be followed, the court stated that Congress intended to impose upon the Attorney General the duty of examining the scope and propriety of the orders, and of sifting out of the mass of inquiries issued what, in his judgment, was pertinent and lawful, before asking the court to adjudge forfeitures for failure to give the correct amount of information required or to issue a mandamus against those whom the orders affected and who refused to comply. The exercise of this discretion will greatly relieve the court and may save it much unnecessary labor and discussion.

This seems to make the orders and request for information of the commission subject to the approval of the Attorney General, though the reports of committees and debates on the Federal Trade Commission act indicate that it was the purpose of Congress to create a commission which would be entirely independent of the governmental departments.

The commission, as previously stated, had not raised in either of the courts below the question of the jurisdiction of the trial court, but had submitted to the jurisdiction with the hope that a decision might be had in a measure at least determining the character of the information which the commission is authorized by the statute to secure from corporations under the authority to require annual and special reports. So much was the commission desirous of learning the proper construction of the statute in this regard that it had, upon refusal of the steel companies to file the reports, applied to the Attorney General for the institution of suits in mandamus to compel compliance with the commission's order, and the Attorney General had in fact instituted two suits in the proper district courts of the United States, one against the Republic Iron & Steel Co., and the other against the Bethlehem Steel Co. The prosecution of these suits was stayed by the injunction issued by the Supreme Court of the District of Columbia, and, since the decision of the case by the Supreme Court had been dismissed, the appropriation under which the investigation was being prosecuted having long since lapsed.

THE MAYNARD COAL CO. CASE

At about the same time that the steel companies were asked by the commission to file monthly reports (referred to above under "The Claire Furnace Co. case"), substantially similar questionnaires were sent to practically all corporations engaged in the production and sale in interstate commerce of bituminous coal.

One of these companies, the Maynard Coal Co., declined to make the report in question, and applied to the Supreme Court of the District of Columbia for an injunction. A permanent injunction practically identical with that issued in the Claire Furnace Co. case was awarded.

The case was taken by the commission to the Court of Appeals of the District of Columbia, where argument was had on January 9 and 10, 1924. On May 10, 1924, the Court of Appeals directed a reargument. The case was reached on the calendar October 10 of that year and continued generally at that time pending a decision by the Supreme Court of the United States in the Claire Furnace Co. case.

The case was reargued on October 3, 1927, and on November 7 the Court of Appeals rendered its opinion, reversing the decree of the lower court, and remanding the cause, with directions to dismiss the bill. The court followed the action of the Supreme Court of the United States in the Claire Furnace Co. case, quoting from the opinion in that case as follows:

"With this statement we are forced to the consideration of a controlling question of jurisdiction. In the case of Federal Trade Commission et al. *v.* Claire Furnace Co. et al. (274 U. S. 160) the Supreme Court considered a proceeding identical with that presented in this case where an injunction had been granted to restrain the threatened enforcement of the penalty for refusal to comply with a similar order of the commission. The court there held that injunction did not lie since the statute furnished complainants a complete and adequate remedy at law."

* * * * * * *

"Considering the discretionary power reposed in the Attorney General to control the bringing of actions under the act, the court in its opinion in the Claire case said: 'There was nothing which the commission could have done to secure enforcement of the challenged orders except to request the Attorney General to institute proceedings for a mandamus or supply him with the necessary facts for an action to enforce the incurred forfeitures. If, exercising his direction, he had instituted either proceeding the defendant therein would have been fully heard and could have adequately and effectively presented every

ground of objection sought to be presented now. Consequently the trial court should have refused to entertain the bill in equity for an injunction. * * * It was intended by Congress in providing this method of enforcing the orders of the Trade Commission to impose upon the Attorney General the duty of examining the scope and propriety of the orders, and of sifting out of the mass of inquiries issued what in his judgment was pertinent and lawful before asking the court to adjudge forfeitures for failure to give the great amount of information required or to issue a mandamus against those whom the orders affected and who refused to comply. The wide scope and variety of the questions, answers to which are asked in these orders, show the wisdom of requiring the chief law officer of the Government to exercise a sound discretion in designating the inquiries to enforce which he shall feel justified in invoking the action of the court. In a case like this the exercise of this discretion will greatly relieve the court and may save it much unnecessary labor and discussion. The purpose of Congress in this requirement is plain, and we do not think that the court below should have dispensed with such assistance. Until the Attorney General acts, the defendants can not suffer; and when he does act, they can promptly answer and have full opportunity to contest the legality of any prejudicial proceeding against them. That right being adequate, they were not in a position to ask relief by injunction. The bill should have been dismissed for want of equity.'"

Final decree, in accordance with the mandate of the court of appeals, was entered by the Supreme Court of the District of Columbia on December 14, 1927.

THE MILLERS' NATIONAL FEDERATION CASE

On February 16, 1924, the United States Senate, by resolution, directed the commission to investigate and report to the Senate, among other things, the extent and methods of price fixing, price maintenance, and price discrimination in the flour and bread industries, developments in the direction of monopoly and concentration of control, and all evidence indicating the existence of agreements, conspiracies, or combinations in these industries. In the course of the investigation the commission made inquiry with respect to the activities of the Millers' National Federation, a voluntary, unincorporated association whose members produce approximately 65 per cent of the flour milled in the United States, as well as of the activities of other milling associations and corporations engaged in the milling industry. Permission was requested of the Millers' National Federation to inspect certain papers, documents, and correspondence files, which permission was in part granted. As a result of the inspection of certain correspondence, the commission requested the federation to supply it with copies of certain designated letters, and further requested access, for the purpose of inspection, to minutes of meetings among members of the federation and other millers in various parts of the country, and to letters passing between the federation and its members leading up to the adoption of a so-called code of ethics by the federation. The request was denied. The commission thereafter called a hearing in the investigation at Chicago, Ill., and served subpœna upon the secretary of the federation requiring him to produce at the hearing certain letters specified by dates, names of the parties correspondent, and subject matter, which its representative had been permitted to inspect in the federation's offices. Subpœnas were also served requiring the production of minutes of the meetings among members of the federation and other millers above mentioned (inspection of which had been denied), and of the letters relating to the adoption of the code of ethics. The Washburn-Crosby Co., a member of the federation and the largest milling corporation in the United States, having also refused to permit the commission to inspect certain letters specified by dates, names of parties correspondent, and subject matter, as well as having declined to permit a statement of its business, made up from its books by representatives of the commission to be taken from its offices, subpœnas duces tecum were served upon officers of the corporation requiring the production of the letters and of the statement, at a hearing to be held at Minneapolis, Minn.

On the day prior to the hearing set for Chicago, Ill., the Millers' National Federation, on behalf of its members, filed a petition in the Supreme Court of the District of Columbia praying for a temporary restraining order and a temporary injunction restraining the commission from taking any steps or instituting any proceedings to enforce the subpœnas or requiring the plaintiffs, or any of them, to produce the documents or letters required thereby. On the day of hearing set at Chicago the secretary of the federation, the officers of the Washburn-Crosby Co., and certain idividuals connected with the federation through membership therein of corporations in which they were officers, did not appear as required by subpœnas, and on the morning of the same day a temporary restraining order was issued by the Supreme Court of the District of Columbia as prayed for in the petition. A motion for temporary injunction was subsequently made. The commission answered the motion on the merits and moved to dismiss the petition on various grounds, among others, that the court was without jurisdiction to restrain the commission from proceeding with the hearing. Both motions were argued, and on September 22, 1926, the court rendered its decision enjoining the commission. From this an appeal was allowed on December 10, 1926, to the Court of Appeals of the District of Columbia. Before hearing of this appeal was had the commission on March 30, 1927, petitioned the Supreme Court of the United States under section 240(a) of the Judicial Code for certiorari, which was denied on April 25, 1927, thus allowing the case to remain on appeal in the Court of Appeals of the District of Columbia.

The case was argued in the court of appeals on October 3–4, 1927, and on December 5, 1927, that court affirmed the decree of the Supreme Court of the District (enjoining the commission), and remanded the case for further proceedings. The court held that the opinion of Supreme Court of the United States in the Claire Furnace Co. case was not controlling; that the present case must be determined upon principles not obtaining in that case; and that injunction would lie to restrain the commission should the court find on a final determination of the case on its merits that the commission had exceeded its jurisdiction. In short, its holding simply was that the Supreme Court of the District had jurisdiction to determine the matter. The commission, on December 12, filed a petition for rehearing, on the ground that the court had failed to decide the point of law which was the principal basis for the judgment below, and practically the sole ground assigned in the petition for special appeal on which the case was heard in the court of appeals. The petition for rehearing was denied on January 21, 1928; the case now awaits determination on the merits on the Supreme Court of the District of Columbia.

(B) PROCEEDINGS IN WHICH THE COMMISSION SOUGHT BY MANDAMUS TO SECURE INFORMATION NECESSARY FOR ECONOMIC INVESTIGATIONS

THE AMERICAN TOBACCO AND LORILLARD CO. CASES

On August 9, 1921, the United States Senate passed a resolution directing the Federal Trade Commission:

"To investigate the tobacco situation in the United States as to the domestic and export trade, with particular reference as to market price to producers for tobacco and the market price for manufactured tobacco and the price of leaf tobacco exported, and report to the Senate as soon as possible the result of such investigation."

In September of the same year there were filed with the commission complaints charging that the American Tobacco and Lorillard companies were violating section 5 of the Federal Trade Commission act, in that they were parties to a combination to fix and regulate the resale prices at which commodities manufactured and sold by them should be resold in interstate commerce by those to whom they had disposed of their products. The commission, in accordance with its usual practice of making preliminary inquiries before issuing formal complaints, and for the purpose of informing the Senate, as directed in the resolution mentioned above, instituted an investigation into the organization, business, conduct, practices, and management of the two companies and into the alleged violation of section 5 of the trade commission act. Certain information was compiled relating to the interstate business of the companies, they permitting the inspection by the commission of certain books and documents. They, however, refused to permit the inspection of certain other documents and correspondence files, whereupon the commission, through its duly authorized agent, served a formal notice and demand for access to certain records, documents, and correspondence, described as follows:

"All letters and telegrams received by the American Tobacco Co. from all of its jobber customers located at different points throughout the United States, and also copies of all letters and telegrams sent by the American Tobacco Co. to such jobbers during the period of January 1, 1921, to December 31, 1921, inclusive."

In January, 1922, the commission made a preliminary report to Congress setting forth the facts it had developed in response to the resolution above referred to.

On June 13, 1922, the Attorney General of the United States, acting at the request and on behalf of the commission, filed in the United States District Court for the Southern District of New York separate petitions against the American and Lorillard companies, praying that alternative writs of mandamus issue commanding the companies, unless the letters and telegrams passing between the companies and their jobber customers be submitted to the agents of the commission for inspection and examination, to show cause why peremptory writs of mandamus should not issue commanding them to do so. The commission alleged in its petitions that the refusal of the companies to permit the access demanded had prevented it from making a complete report in response to the Senate resolution and hindered the commission from investigating the conduct, management, etc., of the companies and from performing its duty to prevent the use of unfair methods of competition in interstate commerce. The district court denied the petitions, saying in the course of its opinion (October 3, 1922):

"To grant the relief prayed for by the petitioner would be to permit of an unreasonable search and seizure of papers in violation of the fourth amendment. It was not the intention of Congress to grant such unlimited examination and inspection by the legislature in question, nor, indeed, did Congress have authority to do so under the commerce clause of the Constitution. It would be unreasonable and unjust to accede to the demands of the petitioner; and the application for the peremptory writ of mandamus against the respondents, American Tobacco Co. and P. Lorillard Co. is denied."

Writs of error were sued out by the commission directly to the Supreme Court of the United States.

The Supreme Court, in affirming the judgment of the lower tribunal, said:

"The right of access given by the statute is to documentary evidence—not to all documents, but to such documents as are evidence. The analogies of the law do not allow the party wanting evidence to call for all documents in order to see if they do not contain it. Some ground must be shown for supposing that the documents called for do contain it."

What the Supreme Court decided was whether the commission had an unlimited right of access to and inspection of corporate records. The commission did not claim such a right and was not attempting to exercise it. The real question before the court was whether a writ of mandamus should issue to enforce compliance with a limited demand for production and inspection of documents in a proceeding against a corporation which was being conducted under separate statutory powers, viz: (a) Under a Senate resolution which did not include specific charges of violation of law; (b) under information filed with the commission giving the commission reason to believe that the law had been violated and that a proceeding by it would be to the public interest; and, (c) under a formal complaint which included formal charges of violation of law.

THE GRAIN CASES

The second group of this class of cases arose out of an investigation by the commission pursuant to a Senate resolution (S. Res. 133, 67th Cong. 2d sess.) directing the commission to investigate the grain business, with particular reference to export business, with a view to ascertaining the causes of the decline in domestic prices of grain, whether the decline in export prices was due to conditions in the export market, and the reason for the spread of from 15 to 20 cents between the prices of cash wheat and of futures.

In connection with this investigation the commission, after informal requests had been denied, made formal demand for access to the books and records of three companies engaged in the export grain business in Baltimore, Md. The demand was refused and a petition for mandamus to compel the inspection was filed. The court denied the petition for the writ, holding (a) that the Senate resolution did not direct the commission to inquire respecting any alleged violation of the antitrust act, and therefore did not confer any authority upon the commission under section 6 (d) of the trade commission act; (b) that section 6 (a) and (b) of the trade commission act do not confer any authority to inspect the books and documents of corporations generally where there is no alleged violation of law, but where a general investigation only is being made into conditions existing in the industry; (c) that any attempts by the courts to confer the authority to make such inspection in a general inquiry would be unconstitutional. (Federal Trade Commission *v.* Baltimore Grain Co.; Federal Trade Commission *v.* H. C. Jones Co.; Federal Trade Commission *v.* Hammond, Snyder & Co., 284 Fed. 886.)

The commission regarded the principle involved in this group of cases too important not to be passed upon by the Supreme Court of the United States, and it therefore prosecuted an appeal to that tribunal. Briefs were prepared and filed, the case argued, and on March 16, 1925, a per curiam decision was rendered affirming the decision in the lower court on the authority of the tobacco cases (supra).

THE BASIC PRODUCTS CO. CASE

(260 Fed. 472)

This case was before the court on the demurrer of the Government to the answer of the Basic Products Co. to a petition filed by the Attorney General of the United States at the request of the Federal Trade Commission for a writ of mandamus upon the company.

The Basic Products Co. is the manufacturer of Syndolag, a patented article which it is claimed has been developed by the defendant after great expenditure of time and money, and in the production of which certain refinements of method have been developed which are and have been kept secret and which constitute trade secrets of great value, as are also the cost accounts relating to its production. Syndolag, among its other uses, is widely sold by the defendant for repairing the bottoms of open-hearth steel furnaces. The United States Navy Department during the war ordered 250 tons of Syndolag, for which the defendant quoted $35 per ton, but which price the Navy Department refused to agree to and required that the material be billed at $30 per ton. A certain amount was shipped and billed at such tentative price. On the signing of the armistice the balance of the order was canceled. Eventually payment was made to the defendant for all Syndolag delivered, at the $30 rate. The company has repeatedly offered to bill the material at whatever price the Navy Department should fix and make refund of any excess received; further, it offered to refund to the Navy Department, if the department was unwilling or unable to fix a price, the whole amount received in connection with the transaction. In the meantime, repeated demands have been made by the Navy Department on defendant for affidavits showing cost of production of the article for the averred reason of enabling the Navy Department to decide upon the price which it would be willing to pay defendant for its production. The defendant refused to furnish such affidavits, whereupon the department's demands were taken up by the Federal Trade Commission at the request of the department. On March 8, 1919, the commission passed a resolution to the effect that pursuant to the provisions of subdivision (a) of section 6 of the Federal Trade Commission act, the commission proceed to gather and compile information concerning, and investigate the organization, business, conduct, practices, and management of the Basic Products Co. The company has refused to allow its books to be examined for the purposes set forth in the resolution.

Judge Orr, in his opinion, first states, "With respect to the petition, it is to be noticed:

"That there is no averment of any facts which show that the defendant is engaged in interstate commerce. The recital in the resolution of the Federal Trade Commission, which is hereinafter set forth, is not such averment."

The court holds that in view of the definition of the word "commerce" by the act itself the only corporations whose organization, business, conduct, practices, and management may be investigated by it under the provisions of subdivision (a) of section 6 of the Federal Trade Commission act are those that are engaged in interstate commerce. Judge Orr says: "In the argument, as well as in the petition, there was lacking the assertion of facts, which would bring the defendant within the terms of the act of Congress. Nowhere has it been made to appear that the defendant is engaged in interstate commerce in any other way than any other corporation or any citizen may be so engaged, by making one or more shipments of manufactured goods from one State into another."

After quoting at some length from the opinion of Judge Jackson, in re Greene (52 Fed. 104–113), as containing not only a definition but an elaboration thereof, which suggests not only the limitations upon the power of Congress but also possibilities of the existence of activities by entities, corporate or otherwise, which might be brought within the jurisdiction conferred by the act upon the Federal Trade Commission, Judge Orr states:

"Imagination, however, can not suggest such an extension of constitutional limitation as may justify the investigation undertaken by the commission in this case. Indeed, so far as the matter has been brought to the attention of the court, no such assertion of power was ever made to the courts. Investigation under subdivision (a) of section 6 is limited to corporations engaged in interstate commerce. The defendant is engaged in manufacture."

In closing, Judge Orr, in his opinion, says:

"Counsel for the defendant urges upon this court the necessity of declaring section 6 of the trade commission act to be unconstitutional, not only 'in so far as it authorizes investigations and compulsory disclosures of matters which are beyond the commerce power of Congress,' but also 'in so far as it attempts to authorize a search or seizure by an administrative agency of the Government without charge or suspicion of wrongdoing.' While the contention of counsel is probably sound, this court does not deem it necessary to go farther than to hold that the commission have not the power to carry on investigation which they have assumed in the present case.

* * * * * * * *

"An incident of such investigation is the ascertainment of trade secrets. It is plain that the cost of manufacturing a patented product to which the manufacturer has the exclusive right may be a trade secret, a species of property of great value. This is also true of refinements of method in producing the same. The act prohibits the disclosure of trade secrets. The assumption that no such disclosure will be made disappears before the expressed intention to give the information to the Navy Department. We have, then, a contemplated search and seizure and a contemplated taking of private property for public use without due process of law, which are violative of the fourth and fifth amendments of the Constitution.

"With respect to the third reason in support of the demurrer, little need be said. The act itself authorizes a petition for mandamus in aid of the commission. 'Mandamus issues where, and only when, there is a right to demand, and a corresponding duty to perform, the act required.' (19 Standard Encyclopedia of Procedure, 128.) It never was intended that the extent of a free man's duty to perform should be determined by those who demand performance.

"The demurrer must be overruled and the petition for a writ of mandamus must be refused."

(C) PROCEEDINGS IN WHICH EFFORTS WERE MADE TO PREVENT THE COMMISSION FROM PROCEEDING UNDER SECTION 5 OF ITS ORGANIC ACT.

THE T. C. HURST & SON CASE

The commission in this case had issued its complaint, charging that respondents were engaged at Norfolk, Va., in the business of selling chandlery supplies to ships reaching the port of Norfolk, Va., while engaged in interstate and foreign commerce; that in the course of their business they had given cash commissions and gratuities to captains and other officers and employees in charge of ships reaching said port to induce them to purchase from respondents, to the exclusion

of competitors of the respondents, provisions and supplies for use and consumption upon such ships in and beyond the territorial jurisdiction of the United States.

Hurst & Son, in their bill for injunction, averred that certain sections of the act of Congress creating the commission were unconstitution and void, for the following reasons: (a) Because beyond the powers vested in Congress by the Constitution; (b) because there is delegated to the commission legislative authority; (c) because the commission is empowered to define and determine what shall constitute "unfair methods of competition in commerce"; (d) because it deprives the parties of the right of trial by jury; (e) because the statute attempts to regulate intrastate as well as interstate commerce; (f) because the proceedings sought to be enjoined discriminate between persons engaged in the same line of business and take away the property of one without due process of law and without just compensation, while not molesting others using the same practice, and for other reasons more specifically set up in the bill of complaint.

The court held that the contention that the act was unconstitutional for any of the reasons specified was without merit, and further held that the commission had acted entirely within its rights of and concerning a matter liable to injuriously affect commerce, and declined to grant the injunction prayed for.

In the course of its opinion the court said:

"The constitutionality of the act itself is challenged, also the right of the commission to decide what shall constitute unfair competition, and of Congress to authorize it so to do, as well as the manner in which the commission may proceed in the discharge of its duties to determine what is unfair competition, the specific complaint being that the commission may not proceed against a particular person, firm, or corporation, believed to be engaged in unfair competition, but must in the same proceeding include all other persons similarly engaged."

After quoting the provisions of section 5 of the Federal Trade Commission act, the court then disposed of the various contentions made by the complainants, as follows:

"The contention that the act of Congress is unconstitutional for any of the reasons specified, is without merit, as it is manifestly within the power of Congress to legislate generally in respect to the burdens that may or may not be imposed upon foreign and interstate commerce, and it is also within its power to declare what would be fair and what unfair methods and dealings in relation thereto, and how the same should be ascertained and determined. The commission is given full power and authority to investigate, make findings of fact, and render its judgment and order in relation thereto, and before the same is carried into effect, the judgment of the circuit court of appeals, the second highest court under the Government, is to be sought by the commission to enforce its order, and any party required by such order to cease and desist from using such method of competition, may obtain a review of such order in the circuit court of appeals, by filing its written petition praying therefor. The action of the circuit court of appeals is final, save when its interposition is sought by the commission, certiorari lies from its decision to the Supreme Court of the United States. The jurisdiction of the circuit court of appeals to enforce, set aside, or modify orders of the commission is exclusive. In all of the proceedings, whether before the commission or the court, the amplest provision is made for notice to and full hearing of all parties interested, and for this court, for any of the reasons urged, to anticipate by injunction, the action of the commission, and the judgment of the court, charged under the law with the review thereof, would be clearly an usurpation of authority."

THE BUTTERICK CO. CASE

Another suit was brought in the Supreme Court of the District of Columbia by the Butterick Co., a corporation, and its affiliated corporations, against which a complaint had been issued by the commission, charging them with unfair methods of competition (resale price maintenance), in violation of section 5 of the commission act, and with violations of section 3 of the Clayton Act (tying contracts). In these suits the principal ground for injunction relied upon was that the commission was without jurisdiction, because its complaint did not state facts sufficient to constitute a violation of section 5 of the commission act or of section 3 of the Clayton Act. Thus was raised for determination the important question of the right of parties proceeded against by the commission to prevent such proceedings by recourse to a court of equity. On the argument counsel for the commission contended, in opposition to the application for injunction, that no ground whatever was shown for the interposition of a court of equity, and that the provisions of the Federal Trade Commission act and the Clayton Act provided a method of review of the commission's orders by the United States Circuit Court of Appeals, which afforded the respondents an adequate remedy under these statutes, which remedy was by the very terms of the statute made exclusive. The court refused to grant the injunction and dismissed the bills.

THE DOUGLAS FIR CO. CASE

This represented an attempt by the Douglas Fir Exploitation & Export Co. et al. to prevent the commission, by injunction, from issuing a complaint charging unfair methods of competition in violation of section 5 of the Federal Trade Commission act, also section 4 of the export trade act. The action was commenced February 17, 1922.

The Supreme Court of the District of Columbia, in which the company instituted action, without opinion, granted the commission's motion to dismiss on the ground that the plaintiff had not stated such a case as would entitle it, in a court of equity, to any relief from or against the commission.

THE CHAMBER OF COMMERCE OF MINNEAPOLIS CASE

(280 Fed. 45—C. C. A., eighth circuit)

This was a petition in certiorari to review preliminary orders of the commission, denying the motions of the chamber of commerce and other respondents named in the complaint issued by the commission. The object of the motions was to dismiss the complaint upon jurisdictional grounds before hearing upon the merits; the complaint charged that respondent had made use of unfair methods of competition in violation of section 5 of the commission act. The petition for certiorari for want of jurisdiction in the court to entertain it was denied. The court in the course of its opinion stated:

"In cases arising under this law injunctions to halt the taking of testimony have been uniformly denied. The powers conferred upon this commission are similar to those conferred upon the Interstate Commerce Commission, with the exception that the powers of the latter are more pronounced and potential. In all cases where Congress has lodged in administrative officers of boards power to find facts and make orders, such findings and orders are conclusive when supported by substantial legal evidence. The courts will not consider with nicety the weight of such evidence. Illustrations of this principle are to be found in many cases arising under the Land Department, the Post Office Department, and before the Interstate Commerce Commission. To halt this investigation before testimony is taken would be an invasion of the powers of the legislative and executive branches of the Government.

"The real gist of the complaint here is that it is claimed, and with plausibility, that the chief petitioner is not subject to the jurisdiction of the Federal Trade Commission; that the commission is proceeding erroneously and in excess of its powers; that the taking of the testimony before a final order can be made will be very expensive, and that a grievous burden is being inflicted upon petitioners, for which an ultimate setting aside of any order that may be made will not adequately compensate them. This is true in some degree of any order of the commission which may finally be set aside. The law does not contemplate that commissions of this nature will act arbitrarily nor without probable cause. It is, of course, conceivable that they may do so, but such a possibility can not justify this court in exceeding its statutory powers and authority. To do so would be to deny to the administrative and legislative branches of the Government the powers and authority which have been conferred upon them and which have been uniformly upheld by the courts. It may be desirable that the law should provide for a preliminary review of questions of jurisdiction either by the circuit court of appeals or by the district courts, but in the absence of such provision we can not assume that power."

EXHIBIT 2

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EXHIBIT 3

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EXHIBIT 4

DEPARTMENT OF WATER AND POWER,
BUREAU OF POWER AND LIGHT OF THE
CITY OF LOS ANGELES,
November 4, 1927.

Senator THOMAS J. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WALSH: Thinking that it might prove of interest to you, I am sending you, separately, a copy of the audit report by Price, Waterhouse & Co. of the financial operations and status of the bureau of power and light of the department of water and power, city of Los Angeles, together with a copy of the ordinance approving rates established and charged by the municipal bureau of power and light for electric service furnished by it within the city to the city and its inhabitants.

The audit report shows the operating revenues and expenditures of the bureau for the fiscal year 1926–27, and the financial status of the bureau, assets versus liabilities, as of June 30, 1927.

The municipal bureau of power and light began operating—that is, rendering electric service within the city—in May, 1917, so that the summary financial report marked "Exhibit 1" shows the results of 10 years of operation, total assets in excess of $64,000,000, with actual liabilities less than the assets by more than $23,000,000.

The difference between the assets and actual liabilities is made up of $18,265,000 of surpluses or clear profits made during the 10-year period, approximately $4,737,000 contributed from tax money during the construction period and represented by capital investment, and $240,000 of bond premiums.

The yearly surpluses as set up by our accountants and audited by Price, Waterhouse & Co. have been arrived at by first deducting from gross operating revenue the total cost of operation and maintenance, full depreciation allowance, and all interest. For the last fiscal year the surplus was $3,258,000 out of a gross earning of $12,659,000. This is an excellent showing, we feel, in view of the especially low electric rates charged by the bureau for service. The rates charged by private electric companies elsewhere in California would result in a gross revenue to the bureau of power and light, if charged by it, from 15 per cent to 18 per cent greater than our actual gross revenues, while the rates charged in various cities of similar size in the United States by private corporations would result in a gross revenue to the bureau of power and light, if charged by it, from 15 per cent to 50 per cent greater than our actual gross revenue.

Very truly yours,

E. F. SCATTERGOOD,
Chief Electrical Engineer and General Manager.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Georgia [Mr. GEORGE], as modified.

Mr. REED of Pennsylvania. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. WALSH of Montana (when Mr. FLETCHER'S name was called). The senior Senator from Florida [Mr. FLETCHER] is paired with the junior Senator from Delaware [Mr. DU PONT]. If the Senator from Florida [Mr. FLETCHER] were present and permitted to vote, he would vote "nay." If the Senator from Delaware were present and permitted to vote, I am advised that he would vote "yea."

Mr. FRAZIER (when his name was called). On this question I am paired with the senior Senator from North Carolina [Mr. SIMMONS].

Mr. NORRIS (when his name was called). Upon this vote I am paired with the junior Senator from Arkansas [Mr. CARAWAY]. If the junior Senator from Arkansas were present he would vote "yea." I transfer my pair to the senior Senator from Idaho [Mr. BORAH], who is unavoidably detained from the Senate, and vote "nay." I desire to announce, although it may be apparent from my transfer, that if the Senator from Idaho [Mr. BORAH] were present on this question he would vote "nay."

Mr. OVERMAN (when Mr. SIMMONS'S name was called). My colleague, the senior Senator from North Carolina [Mr. SIMMONS], is unavoidably detained. He has a general pair with the Senator from North Dakota [Mr. FRAZIER]. If present my colleague would vote "yea."

Mr. TYSON (when his name was called). On this question I am paired with the junior Senator from West Virginia [Mr. GOFF]. If that Senator were present, he would vote "yea." If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. BROOKHART (after having voted in the negative). I have a pair with the Senator from South Carolina [Mr. SMITH]. I have voted, but as my pair is absent I shall have to withdraw my vote. If permitted to vote, I would vote "nay."

Mr. SHIPSTEAD (after having voted in the negative). Has the senior Senator from Kentucky [Mr. SACKETT] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. SHIPSTEAD. On this question I am paired with that Senator. If he were present he would vote "yea," and if I were permitted to vote I would vote "nay." I therefore withdraw my vote.

Mr. GERRY. I desire to announce that the Senator from Maryland [Mr. BRUCE] is paired with the Senator from Nebraska [Mr. HOWELL], and that the Senator from South Carolina [Mr. BLEASE] is paired with the Senator from Utah [Mr. KING]. If present, the Senator from Maryland [Mr. BRUCE] and the Senator from South Carolina [Mr. BLEASE] would vote "yea" and the Senator from Nebraska [Mr. HOWELL] and the Senator from Utah [Mr. KING] would vote "nay."

Mr. FRAZIER. I am paired with the Senator from North Carolina [Mr. SIMMONS]. If I were allowed to vote, I would vote "nay." If the Senator from North Carolina were present and voting, he would vote "yea."

The result was announced—yeas 46, nays 31, as follows:

YEAS—46

Bayard	Gillett	Moses	Smoot
Bingham	Gooding	Oddie	Steck
Bratton	Gould	Overman	Steiwer
Broussard	Greene	Phipps	Stephens
Copeland	Hale	Pine	Thomas
Curtis	Heflin	Pittman	Tydings
Deneen	Jones	Ransdell	Warren
Edge	Kendrick	Reed, Pa.	Waterman
Edwards	Keyes	Robinson, Ark.	Watson
Ferris	McLean	Robinson, Ind.	Willis
Fess	Mayfield	Schall	
George	Metcalf	Shortridge	

NAYS—31

Ashurst	Gerry	McKellar	Sheppard
Barkley	Glass	McMaster	Swanson
Black	Harris	McNary	Trammell
Blaine	Harrison	Neely	Wagner
Capper	Hawes	Norbeck	Walsh, Mass.
Couzens	Hayden	Norris	Walsh, Mont.
Cutting	Johnson	Nye	Wheeler
Dill	La Follette	Reed, Mo.	

NOT VOTING—17

Blease	Dale	Howell	Smith
Borah	du Pont	King	Tyson
Brookhart	Fletcher	Sackett	
Bruce	Frazier	Shipstead	
Caraway	Goff	Simmons	

So Mr. GEORGE'S amendment as modified was agreed to.

Mr. GEORGE. Mr. President, on page 3, line 3, I move to strike out the word "committee" and insert the word "commission."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 3, line 3, strike out the word "committee" and insert the word "commission."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. GEORGE. I now move to strike out all after line 16, on page 3; that is to say, all that portion of the resolution which merely provides for hearings before the committee, the right of the committee to summon witnesses, and so forth, and fixing the pay for the reporting of the testimony. Manifestly that would have no application now, since the resolution goes to the Federal Trade Commission. I move to strike out all after line 16, on page 3, down to the end of the resolution.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. GEORGE. I now move that the resolution be amended by adding at the end thereof the following language, which I ask the clerk to report.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. Add at the end of the resolution the following:

The commission is hereby further directed to report particularly whether any of the practices heretofore in this resolution stated tend to create a monopoly or constitute a violation of the Federal antitrust laws.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BLACK. Mr. President, I desire to offer an amendment at the end of the resolution.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. After the paragraph just agreed to insert the following:

The Senate shall proceed, within 10 days after the passage of this resolution, to select an attorney to present and develop all facts before the commission connected with this investigation, and the attorney shall be paid out of the contingent fund of the Senate an amount fixed by the Interstate Commerce Committee of the Senate.

Mr. WATSON. Mr. President, I very much hope that the amendment will not be agreed to. I can not approve of the Senate of the United States employing lawyers to present a case of that character. The Federal Trade Commission are amply supplied with lawyers to look after matters imposed upon them and committed to their keeping. I see no necessity for the adoption of this particular amendment.

Mr. REED of Missouri. Mr. President, I think the only thing necessary to complete the work that has just been done would be to remove absolutely any possibility of a real investigation.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Alabama.

Mr. BLACK. Mr. President, since the Senator from Indiana [Mr. WATSON] has made the statement about the amendment I desire to state this fact: As I understand it, this is not a regular court proceeding. If there is not some method of presenting the evidence there will be no evidence before the commission. There must be some one charged with that duty; that is, if it is really intended to have an investigation. Of course, if no investigation is desired, the amendment should be overwhelmingly defeated.

Mr. GLASS. Mr. President, in view of the adoption of the main amendment presented by the Senator from Georgia [Mr. GEORGE], I for one am unwilling that the Senate shall have anything whatsoever to do with this so-called investigation, and I shall vote against the amendment presented by the Senator from Alabama.

Mr. HEFLIN. Mr. President, I hope my colleague's amendment will be adopted. I think it would be a good thing to select some bright and trustworthy attorney to present such facts as he may be in possession of to the commission.

The Senate has employed attorneys to represent the Government in the cases of Sinclair and Doheney and Fall. What harm could come in this instance from having some competent attorney present any facts that he may find? No harm could come from that.

I for one, for reasons entirely satisfactory to me, voted in favor of the amendment to have the Federal Trade Commission conduct the investigation of the utility companies, but I should like to see some good lawyer given the opportunity to aid and assist in any way that he possibly could. If the commission should fail or refuse to do anything, the Senate will take the proper steps to see that an investigation is had. We are not tied up by this proceeding. We have not surrendered any right that we have. The Senator from Montana suggested that the companies might take an appeal from the Trade Commission on the ground that it had no authority and thus would hold up the matter in the courts. If any such proceeding is started looking to delay or to preventing an investigation, I shall move that the Senate itself shall proceed to the investigation after the two national conventions shall have met and adjourned.

Mr. SWANSON. Mr. President, do I understand the amendment directs the Senate to employ the counsel and that he shall be paid out of the contingent fund of the Senate?

Mr. BLACK. The amendment is designed to provide for the employment of an attorney.

Mr. SWANSON. It seems to me that if the commission is competent to make the investigation it certainly ought to be competent to select counsel. The Senate has decided that it is competent to make the investigation, and it does seem to me to be making a reflection on them to say that they have not sense enough to select such counsel as they may need.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Alabama [Mr. BLACK].

The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to, as follows:

Resolved, That the Federal Trade Commission is hereby directed to inquire into and report to the Senate, by filing with the Secretary thereof, within each 30 days after the passage of this resolution and finally on the completion of the investigation (any such inquiry before the commission to be open to the public and due notice of the time and place of all hearings to be given by the commission, and the stenographic report of the evidence taken by the commission to accompany the partial and final reports) upon: (1) The growth of the capital assets and capital liabilities of public utility corporations doing an interstate or international business supplying either electrical energy in the form of power or light or both, however produced, or gas, natural or artificial, of corporations holding the stocks of two or more public-utility corporations operating in different States, and of nonpublic-utility corporations owned or controlled by such holding companies; (2) the method of issuing, the price realized or value received, the commissions or bonuses paid or received, and other pertinent facts with respect to the various security issues of all classes of corporations herein named, including the bonds and other evidences of indebtedness thereof, as well as the stocks of the same; (3) the extent to which such holding companies or their stockholders control or are financially interested in financial, engineering, construction, and/or management corporations, and the relation, one to the other, of the classes of corporations last named, the holding companies, and the public-utility corporations; (4) the services furnished to such public-utility corporations by such holding companies and/or their associated, affiliated, and/or subsidiary companies, the fees, commissions, bonuses, or other charges made therefor, and the earnings and expenses of such holding companies and their associated, affiliated, and/or subsidiary companies; and (5) the value or detriment to the public of such holding companies owning the stock or otherwise controlling such public-utility corporations immediately or remotely, with the extent of such ownership or control, and particularly what legislation, if any, should be enacted by Congress to correct any abuses that may exist in the organization or operation of such holding companies.

The commission is further empowered to inquire and report whether, and to what extent, such corporations or any of the officers thereof or any one in their behalf or in behalf of any organization of which any such corporation may be a member, through the expenditure of money or through the control of the avenues of publicity, have made any and what effort to influence or control public opinion on account of municipal or public ownership of the means by which power is developed and electrical energy is generated and distributed, or since 1923 to influence or control elections: *Provided*, That the elections herein referred to shall be limited to the elections of President, Vice President, and Members of the United States Senate.

The commission is hereby further directed to report particularly whether any of the practices heretofore in this resolution stated tend to create a monopoly, or constitute violation of the Federal antitrust laws.

ADJOURNMENT

Mr. CURTIS. I move that the Senate adjourn.

The motion was agreed to; and (at 9 o'clock and 17 minutes p. m.) the Senate adjourned until to-morrow, Thursday, February 16, 1928, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *February 15, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Hear us, O Lord of the vineyard. Thou dost still send us forth to the fields of service. As each has his own task, may he achieve Thy good pleasure by a thorough devotion to duty. Helpfulness enters into the fundamental conception of our living. The praise of life is that man exhales bounty and stimulus and encouragement as he journeys on. Keep us clear of any just accusation that we have done any evil thing. Permit us to work with Thee in the service of our country, in the growth of Christian idealism, and in bringing heaven and earth nearer together. Rebuke our ease, smite our selfishness, and lead us on toward that realm where all night is past and the day has dawned. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 9186. An act authorizing the Sistersville Ohio River Bridge Co., a corporation, its successors and assigns, to construct, maintain, and operate a toll bridge across the Ohio River at or near Sistersville, Tyler County, W. Va.; and

H. R. 9660. An act authorizing the city of Louisville, Ky., to construct, maintain, and operate a toll bridge across the Ohio River at or near said city.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7009) entitled "An act to authorize appropriations for construction at military posts, and for other purposes."

DEPORTATION OF CERTAIN ALIENS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that I may file minority views on the bill H. R. 10078, a deportation bill from the Committee on Immigration, within five days.

Mr. TILSON. Let the Clerk report the bill.

The Clerk read as follows:

A bill (H. R. 10078) providing for the deportation of certain aliens, and for other purposes.

The SPEAKER. The gentleman from New York asks unanimous consent to file minority views on the bill H. R. 10078 within five days. Is there objection?

There was no objection.

ADDRESS OF HON. LORING M. BLACK, JR.

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech delivered by my colleague [Mr. BLACK] on the retirement of Admiral Plunkett.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULLEN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech of Hon. LORING M. BLACK, Jr., a Representative in Congress from the State of New York, at a dinner to Admiral Charles P. Plunkett, tendered by the civilian employees of the New York Navy Yard on February 13, 1928:

Mr. BLACK. Admiral Plunkett recently ventilated the subject of an Anglo-American war with a rather startling journalistic and official repercussion to himself. Such a conflict has long been whispered about in British and American naval and diplomatic circles. Our admiral succeeded in drawing it into the open and such open discussion should be healthy rather than hurtful.

On this question there are two main American theses: First, no American wants war with Great Britain; second, in the event of such a war, no American wants the United States to be unprepared.

There are some who believe that a conflict between the United States and the British Empire is unthinkable, but, as Mr. Storm Jameson said in the February English Review of 1921, "It is easy to declare roundly that a war between this country and America is unthinkable. That statement argues nothing so much as an imaginative incapacity on the part of the sentimentalists who make it." No less a student of international affairs than President Wilson has said that the seed of war in the modern world is industrial and commercial rivalry.

We have reached a stage of tremendous economic rivalry with Great Britian, and in 1926 we led Great Britain in the ratio of 91 to 85 in the relative value of foreign trade. Great Britain has long been accustomed to the position of the great economic and maritime leader of the world. In our coastwise trade alone we equal the entire foreign trade of Great Britain. Tradition has given to the leading economic factor the supremacy on the high seas. When we agree with Great Britain that there should be a parity of naval strength, we are making a great concession, for were we to have a Navy commensurate with our economic position as fixed by precedent, which precedent was made by Great Britain, we would have a Navy far surpassing the British.

The American idealists on the subject of the high-mindedness of foreign diplomacy have suffered some rude jolts. They are beginning to realize that peace treaties of foreign powers arise from desires toward increasing national prestige rather than being motivated by a hope of world peace. No better example of this has been offered than the fate of the Washington Disarmament Conference. We had among our delegates some very practical gentlemen who were carried away with the postwar idealism and who were, therefore, out-maneuvered in the Washington conference war game by that ghostly diplomatic cat, Lord Balfour. Of him, Mr. A. G. Gardner, editor of the London News, has said "You feel that he would give you the same smile in sending you to the scaffold as he would in passing you the salt." At his door can be laid much responsibility for the present war talk and practically all responsibility for the naval-armament race which is now being run. He was crafty enough to leave Great Britain free to regain its relative naval strength by consenting to the scrapping of our new battleship construction and Great Britain's inferior ships of that type, having in mind that Great Britain could and would build a powerful instrument of war in the 10,000-ton cruiser. Mr. Gardner also said of Balfour that his "domination of the Washington conference made a deep and lasting impression on America of British statesmenship at its highest point." His mastery over the conference was not for the purpose of stopping armament competition but merely to bring down the then supremacy of America. He left the door open, and he repeatedly has said so, for the construction of the 10,000-ton cruiser which Mr. Hector Bywater describes as "in fighting value they are but little inferior to the treaty type, which they might engage without undue risk. As regards protection they are probably superior."

Great Britain has attempted to blame Japan for violating the spirit of the Washington treaty but in Lord Balfour's mind in Washington was worked out the idea of the present race.

It has always been my contention and stated on the floor of Congress that when Great Britain started her cruiser program and Japan her cruiser and submarine program that our State Department should have protested on the theory that the spirit of the treaty was being violated. Had such a protest been lodged, an exchange of notes should have brought us back to the ratio and would have accomplished much more than the ill-fated Geneva Conference.

Admiral Plunkett is not to blame for war talk, but responsibility is squarely up to Lord Balfour, who used a peace movement as a war weapon.

Speaking of the Geneva conference, President Coolidge, in his message to Congress, said, "We were granted much cooperation by Japan, but we were unable to come to an agreement with Great Britain."

This is a much terser and fully as pregnant statement of a possibility of conflict with Great Britain than any of the speeches of our admiral. This was followed up by the President in his submission to Congress of the Navy building program sent to the House by the Secretary of the Navy.

It seems to me that Congress might well follow the department on this matter. The program is generally misunderstood. Congress can not appropriate for the Navy year by year unless there is legislation passed by Congress prior to the appropriations authorizing the expenditure of the money for certain purposes. The proposal of the department was for the time being only to have Congress authorize subsequent Congresses to appropriate the money needed to carry out a naval policy.

As far as cruisers are concerned, if the department policy is adopted, the British will reach the 400,000-ton quota which we submitted at Geneva five years in advance of us on the basis of their existing approved program. I say to those Americans who have such great faith in Great Britain, that they consider what the British Admiralty deem necessary for the protection of British trade and then see if they can not conclude that our Navy is justified in asking just as much protection at least for a greater trade—the trade of the United States.

The British Admiralty believes it requires 600,000 tons of cruiser construction. President Coolidge tells us "we have a foreign commerce and ocean lines of trade unsurpassed by any other country." If the British Admiralty is right about what Great Britain needs in cruisers for its trade, surely our Naval Department is entirely too modest in its request of Congress for cruiser protection for our trade. Of course, the American who worries about the safety of Great Britain will tell us that the British need cruisers to protect trade within far-flung possessions, but the British understand that this immense cruiser fleet is not for the purpose of convoy but for the purpose of blockading and starving into submission a hostile nation. This purpose would naturally interfere with our trade should we care to have commercial intercourse with the power at war with Great Britain.

To those who believe that a great fleet means war, let us say that war logically proceeds from a stronger against a weaker power and if we are impressed with American ideals of peace, we can feel sure that we will not, as a stronger power, wage war and quite logically, a weaker power is not liable to make war on us. A strong fleet is a mighty help toward peace; as Lord Nelson said, "There is no better a negotiator in the councils of Europe than a fleet of English battleships."

It might be well to consider what Japan is doing. The Japanese Advertiser on October 8 said that Japan will be equipped, under its reorganization of the navy, with the most powerful navy she has ever possessed. The naval strategists do not always agree with the pacifists that at the time of war talk there will be war, for, as Commander Matsunaga, of the Japanese naval ministry says, "the Japanese Navy makes it a point to begin action at a time when it is thought practically impossible." Our trade on the Pacific and insular relations require that we at least maintain the ratio of 5 to 3 with Japan, as established at the Washington conference. Mr. Hector Bywater tells us that with few modern

cruisers now at its disposal the American Navy could do practically nothing to secure the safety of trade routes in war.

In the absence of swift cruisers to hold hostile raiders in check the American merchant marine would, in all likelihood, be swept from the sea. The prime obligation on Congress under the Constitution is to provide for the common defense; and indeed the prime purpose of the Constitution was to organize the States into a unit for defensive purposes and foreign intercourse. Congress should pay heed to those experts of the Navy, such as Admiral Plunkett, who has for years been building up the American Navy with an eye to the construction work of possible aggressors.

There are those who believe that the money spent on warships could be better spent in the agricultural fields and otherwise; but the mere building of naval crafts is a peace-time contribution to the general good in relieving unemployment conditions. We had about 2,000,000 less employed in 1927 than we had in 1923. This is a serious condition. We have the private shipyards of the country going out of business and navy yards stagnating. We have American trade carried in foreign bottoms.

America has become a great economic factor and should take a reckoning of its power on the sea and start to build. This would help our shippers, our great industrial yards, and American skilled labor.

Should war ever unfortunately come to this country, it is better that it should come when we are ready to protect American interests. Admiral Plunkett has done a tremendous service to peace and preparedness by his honest indication of realities on the high seas.

I hope the country, on his retirement, will not lose his tremendous energy, brilliant mind, and honest heart. I trust that America will decide to build itself up as a maritime power. If those concerned have any vision, they will look to our admiral as a great leader in such a movement.

MEETING OF COMMITTEE OF WORLD WAR VETERANS

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to address the House for one minute on a matter of the committee meeting of the World War veterans.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PERKINS. On Tuesday next there will be a meeting of the subcommittee of the World War Veterans' Committee on insurance at 10 o'clock a. m., at which time we would like to have Members of the House who are interested present their views on the continuance of the World War veterans' insurance.

EXTENSION OF REMARKS

Mr. QUIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing an article on flood control.

Mr. MADDEN. Reserving the right to object, how long is it?

Mr. QUIN. It is a pretty lengthy article.

Mr. UNDERHILL. I object.

The SPEAKER. Under the special order the Chair will recognize the gentleman from Michigan [Mr. CRAMTON].

MIDDLE RIO GRANDE CONSERVANCY DISTRICT AND THE PUEBLO INDIANS

Mr. CRAMTON. Mr. Speaker and gentlemen, for a little time I want to bring to the attention of the House the bill (S. 700) which authorizes the Secretary of the Interior to execute an agreement with the Middle Rio Grande conservancy district, for irrigation, drainage, and flood control for certain Pueblo Indian lands in New Mexico.

The bill passed the Senate, came to the House, passed the House the other day by unanimous consent, certain amendments which I offered being accepted. It has gone to the Senate, and there has been referred back to the Indian Affairs Committee, and its progress halted.

This is a highly important bill, and the action that has been taken is the result of unfair lobbying and has in it possibilities of great loss for the Indians as well as for the people of New Mexico. The situation that has arisen carries with it also this important question, that is broader than this bill—whether through misrepresentation, falsehood, and threats Congress can be diverted from doing that which ought to be done, with the result that nothing is done, or possibly something done that ought not to be done.

UNDESIRABLE LOBBYING

One John Collier, executive secretary of the Indian Defense Association (Inc.), with whose work I have had a great deal of contact, is responsible for this delay and threatened defeat of the bill. And I say, measuring my words, from knowledge of his methods and his accomplishments, that he is an insincere, unworthy, unreliable, misrepresenting, destructive lobbyist. He goes about peddling misinformation and threats with equal facility and irresponsibility, never constructive, but always destructive.

As when defending Sacco and Vanzetti, so he is at all times sure his Government is wrong. He is creating and preserving for himself a job and wasting the fine enthusiasm and altruistic motives of many fine people who are, through misunderstanding, led into his organization and who might, with honest leadership, do a great constructive work.

About this bill he has said in a circular letter which attacks me but was not sent me by him but has been peddled by him where he thought most desirable:

> There are six Pueblo tribes involved in this bill. Three of these—namely, the tribes, Cochiti, San Domingo, San Felite—do not possess sufficient cultivated land to make a decent living. Under the bill with the Cramton amendment these three tribes will be strangulated.
>
> Virtually though not technically confiscating these newly reclaimed acres, debarring the Indians from expanding their agriculture on to these newly reclaimed acres, and gravely handicapping the Indians in any effort to lease these newly reclaimed acres.
>
> The Pueblo tribes having been used up to a certain point are simply ditched and are wound up in a paralyzing hopeless rope of unjust debt.

I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

SHALL HALF A MILLION DOLLARS BE A GIFT?

Mr. CRAMTON. The difference of opinion arises as to whether the million and a half dollars which is proposed to be appropriated for the benefit of those Indians is all, at some vague and indefinite time in the future, to be reimbursed to the Treasury, or whether we shall advance a million and a half dollars without interest, waiting 40 or 50 years for its return, and then make them a present of one-third of it—a half million dollars.

He charges that an agreement with the conservancy district, with the Indian Bureau, or others has been violated. Even he, with his loose handling of the truth, dares not say that I was a party to any agreement to give the Pueblos a half million, or that my committee made any such promise, or that Congress was ever a party to any such agreement. Has the time come when lobbyists can extort an agreement from a municipal project and hold Congress bound by it? Or can even a bureau of the Government commit Congress to a gift of half a million dollars from the Treasury?

This project means much to the middle Rio Grande Valley of New Mexico, and is not possible without Government cooperation on behalf of the Indians. The pestiferous force of the pernicious lobbying activities of Collier are no doubt known in New Mexico, where he has been active. Naturally they would consent to any reimbursement terms for the Indian lands that the Government sees fit to impose. That is between the Indians and the Government and does not affect the district, so long as the Indian lands come in. And the gentlemen who have been promoting the project here in a most honorable, very able, and entirely commendable way are not responsible for the so-called Cramton amendments.

Neither is the Indian Bureau responsible. They have advised the gift.

I accept my share of responsibility, acting in sincere performance of my official duty. Bound by no promise or commitment to the contrary, actuated by no selfish interest, and quite familiar with the proposition through hearings and study and several visits to the locality involved, I have proposed amendments which have met with general favor in this House, and I was assured would be accepted at the other end of the Capitol.

What has been the showing to Congress? In the subcommittee of the Appropriations Committee holding hearings on the second deficiency appropriation bill last year, on the initial appropriation for reconnaissance work, the gentleman from Indiana [Mr. WOOD] asked this question:

> If an appropriation were made, would the money come out of the tribal fund or out of the General Treasury?

To which the reply was made by Mr. Rodey, who was the representative of the conservancy district:

> It would be chargeable to the tribal funds.

There was nothing there about any gift of a half million dollars.

My own subcommittee on the Interior Department appropriation bill visited the section last October, and we held extensive hearings in December, to the extent of 50 pages of the hearings on the Interior appropriation bill, and those hearings developed this difference of opinion with the Indian Bureau as to the policy to be followed. All my associates on that subcommittee on the Interior Department appropriation

bill—Messrs. MURPHY, FRENCH, TAYLOR, and HASTINGS—held the view that I held, that we would be doing sufficient if we advanced the money without interest for their benefit, and that it all should be returned. I went before the Committee on Indian Affairs and expressed those views, and several members of that committee have indorsed my view. When the amendment went through the House several members of that committee, including the chairman, Mr. LEAVITT, were on the floor, and all were thoroughly cognizant of what was being done. There was no objection made at that time.

THE BILL AS AMENDED BY THE HOUSE

I shall insert at this point, under the permission given me, a copy of the bill, and it will show the bill as it was passed by the Senate and as it came to the House. There is inclosed in black brackets those parts that were crossed out by my amendment, and in italics will appear the language that I inserted. The full scope of my amendments then appears:

[S. 700, Seventieth Congress, first session]

A bill authorizing the Secretary of the Interior to execute an agreement with the Middle Rio Grande conservancy district, providing for conservation, irrigation, drainage, and flood control for the Pueblo Indian lands in the Rio Grande Valley, N. Mex., and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to enter into an agreement with the Middle Rio Grande conservancy district, a political subdivision of the State of New Mexico, providing for conservation, irrigation, drainage, and flood control for the Pueblo Indian lands situated within the exterior boundaries of the said Middle Rio Grande conservancy district, as provided for by plans prepared for this purpose in pursuance to an act of February 14, 1927 (44 Stat. L. 1098). The construction cost of such conservation, irrigation, drainage, and flood-control work apportioned to the Indian lands as shall not exceed $1,593,311, and [that] said sum, or so much thereof as may be required to pay the Indians' share of the cost of the work herein provided for, shall be payable in not less than five installments without interest, which installments shall be paid annually as work progresses[, and there is hereby authorized to be appropriated not to exceed $1,593,311, of which amount $100,000 is hereby made immediately available for the payment of the first installment]: *Provided,* That should at any time it appear to the said Secretary that construction work is not being carried out in accordance with plans approved by him, he shall withhold payment of any sums that may under the agreement be due the conservancy district until such work shall have been done in accordance with the said plans: *Provided further,* That in determining the share of the cost of the works to be apportioned to the Indian lands there shall be taken into consideration [any] *only* [allowances determined by the Secretary of the Interior as propery deductible, and] the [total] Indian acreage benefited *which* shall be definitely determined by said Secretary and such acreage include only lands feasibly susceptible of economic irrigation and cultivation, *and materially benefited by this work* and in no event shall the average per acre cost for the area of Indian lands benefited exceed $67.50: *Provided further,* That all present water rights now appurtenant to approximately 8,346 acres of irrigated Pueblo lands owned individually or as pueblos under the proposed plans of the district, and all water for the domestic purposes of the Indians and for their stock shall be prior and paramount to any rights of the district or any property holder therein, which priority so defined shall be recognized and protected in the agreement between the Secretary of the Interior and the said Middle Rio Grande conservancy district, and the water rights for newly reclaimed lands shall be recognized as equal to those of like district lands and be protected from discrimination in the division and use of water, and such water rights, old as well as new, shall not be subject to loss by nonuse or abandonment thereof so long as title to said lands shall remain in the Indians individually or as pueblos or *in* the United States, and such irrigated area *of approximately 8,346 acres* shall not be [subjected directly or indirectly to the reimbursable features of this act, nor shall it be] subject by the district or otherwise to any pro rata share of future operation and maintenance or betterment work *performed by the district.* [Subject to the foregoing exception the remainder of the] *The* share of the cost paid the district on behalf of the Indian lands under the agreement herein authorized, including any sum paid to the district from the funds authorized to be appropriated by the act of February 14, 1927 (44 Stat. L. 1098), shall be reimbursed to the United States [in accordance with the benefits derived, but in no event to exceed the limitation of cost herein fixed,] under such rules and regulations as may be prescribed by the Secretary of the Interior: *Provided,* That such reimbursement shall be made *only* from leases or proceeds from the newly reclaimed Pueblo lands [in not less than 40 annual payments], and there is hereby created against such newly reclaimed lands a first lien, which lien shall not be enforced during the period that the title to such lands remains in the pueblos or individual Indian ownership: *Provided further,* That said Secretary of the Interior, through the Commissioner of Indian Affairs, or his duly authorized agent, shall be recognized by said district in all matters pertaining to its operation in the same ratio that the Indian lands bear to the total area of lands within the district, and that the district books and records shall be available at all times for inspection by said representative.

WHAT THE BILL DOES

What does the bill do? I say that John Collier or anyone else takes upon himself a tremendously heavy responsibility when he endangers the final enactment into law of so important and desirable a measure as this. That is particularly so upon the part of anyone who presumes to speak for the interest of the Indians, because they are benefited above all others.

This proposed conservancy district stretches for 150 miles along the Rio Grande River, above and below Albuquerque. It is only 3 or 4 miles wide. The Rio Grande River through the years has built itself up with a deposit of silt, so that drainage is about impossible for those lands adjacent to the river, so that whether they are Indian lands or white lands there are many acres that used to be cultivated that can not now be cultivated, because they have become water-logged and sour and filled with alkali. Nature knows no difference between white lands and Indian lands.

It is the purpose of this bill to afford drainage, flood protection, and water for irrigation for this long and narrow stretch of land. It can only be done by united action of the whole area. It is the purpose to afford drainage and remove the alkali, afford a sure and ample water supply for irrigation, and make these acres available for use and fully productive. Whether they are Indian lands or whether they are white lands, they are not used as much as formerly and can not be. There are 8,000 acres, approximately, of Indian lands that are subject to some cultivation, and credits have been allowed them for certain structures. These lands need this project.

The bill provides that the Secretary of the Interior must find that the acreage "is feasibly susceptible of economic irrigation and cultivation" before it is brought into the district.

But, furthermore, and this is of special importance as to the 8,000 acres, which Collier says have been "irrigated since before the time of Christ in a highly efficient way," my amendment inserted the further requirement that the Secretary find, before including them, that the land is "materially benefited by this work." If they are materially benefited, and they are, even the 8,000 acres, why should the Indians not repay sometime the cost of the work?

Here is what the bill, as amended, does to these Indians who are being "strangulated" we are told:

First, as to the 8,000 acres that now have some partial use, they are given a priority of water right as against all other lands, including other lands in the district. To-day they have no such guaranteed priority. The bill reads:

Provided further, That all present water rights now appurtenant to approximately 8,346 acres of irrigated Pueblo lands owned individually or as pueblos under the proposed plans of the district, and all water for the domestic purposes of the Indians and for their stock shall be prior and paramount to any rights of the district or any property holder therein, which priority so defined shall be recognized and protected in the agreement between the Secretary of the Interior and the said middle Rio Grande conservancy district.

Next, as to the other 15,000 acres of land that are not now used, but which are to be reclaimed by this bill, they are given an equal priority with other lands in the district, forever, while in Indian ownership, whether used or not, and the water rights for newly reclaimed lands shall be recognized as equal to those of like district lands and be protected from discrimination in the division and use of water, and such water rights, old as well as new, shall not be subject to loss by nonuse or abandonment thereof so long as title to said lands shall remain in the Indians individually or as pueblos or the United States. There is a great advantage and a great protection to the Indians. If it were possible to organize this district without those Indian lands, the water would be taken and those 15,000 acres would be forever useless. But under the bill, whether the water is used or not, the Indians are assured it is there when they want it.

They have some use of the 8,000 acres, but under this bill, with these improvements, their beneficial use of these lands will be doubled, if not quadrupled, over what it is to-day; and nothing from the proceeds of those lands is taken, and no lien is to rest upon them. We furnish the $67.50 per acre; we charge it to them on the books, but we take our chance of getting it by improving the lands now entirely unimproved.

As to the 15,000 acres not now used, we are going to make those valuable—worth from $100 to $200 per acre. In fact,

since they pay no interest on what we loan to them, the Indians and their advisors should look ahead 25 or 50 years to see what those lands will be worth to these Indians in the future. Those Indians will increase in population. They are now starting out on new lines of progress. Very soon they are going to need those 15,000 acres. Under Mr. Collier's own statement, which I quoted, they need some of them now; but they are useless to-day. This project will make them productive, drained, and with full water right.

GENEROUS TREATMENT OF THE INDIANS

What do the Indians pay? They get their priority established. Their lands—8,000 acres—are made much more productive. The 15,000 acres for the first time will have a value. What do we ask them to do that we are "confiscating" their lands?

The whites must not only pay the money invested but must pay interest; the Indians pay no interest.

The whites will pay $76 an acre; the Indians $67.50.

The whites *must* pay their debt in 40 years, and their taxes and interest charges besides. The Indians pay no taxes and no interest and are not likely to pay it in 40 years.

The whites pay operation and maintenance cost not only on their lands but on these 8,000 acres of Indian land perpetually. Perpetually is a long, long time; but forever, under the terms of this bill, the Indians are exempt from any charge for operation or maintenance or betterment work done by the district for the 8,000 acres. The little side ditches the Indians will take care of themselves, but the main canals are forever maintained by the whites without any charge to the Indians. The bill reads:

and such irrigated area of approximately 8,346 acres shall not be subject by the district or otherwise to any pro rata share of future operation and maintenance or betterment work performed by the district.

Then consider in the course of time what that is worth to the Indians. Still we are told that Congress is trying to confiscate the lands of the Indians.

The Indians pay nothing from their pockets or from the proceeds from the 8,000 acres. What do they pay? We have confidence enough in the success of the project and what it will do with that 15,000 acres not now used at all that we will take our chances on the success of the project, and the bill does not ask interest but just the principal to reclaim and improve the 23,000 acres and takes it only from the rentals that the Indians secure from the 15,000 acres. The bill reads, as amended:

The share of the cost paid the district on behalf of the Indian lands under the agreement herein authorized, including any sum paid to the district from the fund authorized to be appropriated by the act of February 14, 1927 (44 Stat. 1098), shall be reimbursed to the United States under such rules and regulations as may be prescribed by the Secretary of the Interior: *Provided*, That such reimbursement shall be made only from leases or proceeds from the newly reclaimed Pueblo lands, and there is hereby created against such newly reclaimed lands a first lien, which lien shall not be enforced during the period that the title to such lands remains in the pueblos or individual Indian ownership.

This contemplates that the lands reclaimed, which are in communal ownership, will be leased to individual Indians or to whites, Indians, of course, being given the preference. In either case a rental will be asked based on such rentals on similar lands in the valley. The rentals from such leases, whether Indian or white, will be applied to the debt until it is paid and thereafter will go to the pueblo. The Indians will have at hand new areas of desirable land and have no excessive charges to pay for lands now valueless. There is no hardship here. I would prefer "proceeds from leases of newly reclaimed pueblo lands" as clearer, but no doubt the language used means the same.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. CRAMTON. Mr. Speaker, I ask for two additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAMTON. I repeat, there is no hardship there. If the project is not successful, nothing will come back to the Treasury. But if it is successful, as I believe it will be, there will be 15,000 acres made productive that are not now productive, and the proceeds of leases of that 15,000 acres now unused we will take to repay what we furnished them.

GUARANTEES THE FUTURE OF THESE PUEBLOS

This bill guarantees the future prosperity of the Pueblos involved. It is fair. It is generous. And if these organizations, such as that led by John Collier, would be constructive, they would be here trying to put it through Congress instead of obstructing its passage. It is not an easy thing to get $1,500,000 from Congress, and this means much to the Indians, much to New Mexico. I have been doing all I could to get this bill through.

There is no gain for the Indian in teaching him to be a mendicant or to expect gifts from the Government. The day of rations proved the insanity of that policy, and we have abandoned it. We ought now to follow the policy of giving the Indian help to help himself. That is what he wants above all else. What this bill does is to help the Indian to help himself. It would be law now except for the misrepresentations and the threats of John Collier. [Applause.]

NAVAL PROGRAM

The SPEAKER. The gentleman from Oklahoma [Mr. McCLINTIC] is recognized.

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting a tabulation.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. McCLINTIC. Mr. Speaker and gentlemen of the House, there are two distinct classes of citizens in this Nation: Those that can see a war cloud in the middle of every sunshiny day and who continuously try to take advantage of every opportunity to involve this country in great expenditures for the kind of preparedness that is believed by many to be useless in time of war; and secondly, the class who take into consideration the economic and financial conditions of this country and the various nations of the world, keeping in mind that the ultimate object of all of the best citizens should be the maintenance of peace with other nations, also keeping in mind that should the Nation be so unfortunate as to become involved in a war that the kind of preparedness we should have would be the newer, more modern kinds of defense that any nation will need to be victorious.

Within the last 48 hours a perfect barrage of propaganda has been given to the citizens of this country in favor of a war program. Monday, Secretary Wilbur started the fireworks at Indianapolis; Tuesday, the press quoted the President of the United States as favoring the construction of this program, but leaving the impression that he would be satisfied with 25 cruisers; and this morning the distinguished gentleman from Illinois gives notice that he has flopped over and again joined the administration in promoting certain features of the proposed legislation, which, according to the figures just presented to the Naval Affairs Committee, covering a five-year program to be completed in nine years, amounts to the enormous sum of $4,176,426,000.

Secretary Wilbur, in his speech made at Indianapolis on Monday, assailed the critics of the administration in support of what he claimed was a program amounting to $740,000,000, which is a sum far less than the actual figures shown in this connection, for the reason this amount does not include the following: $96,650,000 allocated for the building of submarines and cruisers already authorized; $170,070,000 for the five-year aviation program; $76,970,000 for cruisers now being constructed and authorized in the 1928 program; and approximately $540,000,000 for increased personnel and expenses in connection with the proposed new ships. This sum, added to the estimated cost necessary for the upkeep of the Navy and the proposed reconditioning of certain battleships, brings the cost up to more than $4,000,000,000 to be expended during the nine-year period.

Secretary Wilbur, in his Indianapolis speech, complains about those who want the Navy to fight blindfolded, as if there were war clouds on the horizon and this Nation was about to rush into war. What about the aviation program of one hundred and seventy millions? Such tomfoolery as this is what makes the balance of the world despise us. Such unwarranted allegations are what hurts our foreign trade. Admiral Jones has just testified before the Naval Affairs Committee that another disarmament conference will be held in three years, at which all five of the world powers will be represented. If this Nation starts the construction of a program costing more than a billion dollars, we will be in the same attitude as we were in 1922, when it was necessary to scrap nearly $300,000,000 worth of new ships in order to bring about a disarmament agreement.

Yesterday the representatives of the shipbuilding corporations testified that not a single ship could be completed within three years; therefore, if contracts are let for this enormous program, the other nations of the world will be sufficiently wise to realize that the best method of combatting this situation will be to reduce their tonnage to such a figure as to cause us to scrap some more new ships. Every competent witness that has testified before the committee makes the positive statement that no

nation on earth can land an army on our shores as long as we have adequate aircraft. It was likewise testified that we could fly our seaplanes out 200 miles from shore and destroy an approaching enemy. Testimony was also given that it would be impossible, even with cruisers, to protect our commerce in time of war, provided the same passed within striking distance of any major nation with which we might be at war.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. McCLINTIC. I yield.

Mr. COLE of Iowa. Can the gentleman give us any information as to how many cruisers and other vessels for war purposes we have under construction at the present time?

Mr. McCLINTIC. I will try to answer that before I get through. I do not want to break the continuity of my speech.

During the World War the submarine was the ship that struck terror to the hearts of the people and was the most feared. To combat this menace the destroyer was found to be the most efficient ship; therefore, if it is necessary to protect this country in the way of a surface shipbuilding program, then the most efficient step that could be taken would be to decommission a lot of old obsolete ships, using the men and officers to man the one hundred and fifty-odd destroyers that we now have tied up at docks at Philadelphia and San Diego, and, in addition, build enough submarines, using the latest safety devices of rescue, so as to make this a real arm of defense.

Everyone knows that the submarine is the only kind of a ship that could possibly enter into the harbor of a city like New York in time of war; therefore, if this is true, why waste our money in building up a peace-time Navy such as the Secretary of the Navy says is indorsed by himself and the President of the United States. Of course, the Navy realizes that unless it gets this building program authorized and started building before the convening of the next disarmament conference the expenditures will never be made, keeping in mind that there are nearly 600 officers in Washington that would welcome berths on new cruisers rather than quarters in submarines and destroyers.

I venture to assert that England and the other powers of the world would not object if the United States should build 100 cruisers, realizing that we could not use them in war, except in protected zones; yet if the so-called war party of this Nation wants to bring about a situation that will startle the world let them suggest the construction of about 60 new submarines and see how quickly this will bring about an international colloquy for the purpose of either banning this type of vessel or causing the same to be the subject of serious consideration at the disarmament conference in Washington in 1931.

Mr. BLANTON. Will the gentleman yield?

Mr. McCLINTIC. Yes.

Mr. BLANTON. It is refreshing to hear one member of the Naval Affairs Committee speak for the people. The rest of the committee usually speak for the Navy. I want to ask the gentleman this question: Does he think these big naval officers will be satisfied with anything but large vessels on which they have their retinues of attendants, and where it takes about four different officers in relays to reach them from the deck to their cabin? They are the kind of ships upon which they like to function in peace times. I want to say to the gentleman that I would like him to give us his idea about the proposal which now comes from the Navy that they shall have an assistant on the floor of the House to speak for the Navy on all questions when a Member of Congress gets up to speak for the people.

Mr. McCLINTIC. I want to say, in answer to the question the gentleman has asked, that there are approximately 600 naval officers in Washington; and all of these officers desire at some time to command a great, big, fine ship that has lovely and luxurious quarters. If I were in the Navy, or if the gentleman were in the Navy, to be perfectly fair and frank about it, he and I would want the same thing. But this is a war program when there is no sign of a war in sight. We ought not to be building for a peace program. We ought to build a program for preparedness. We ought to prepare this Nation so that it will be able to defend itself against any kind of a situation which would ever confront it; and if that is true, taking the lessons of the last war, let us build the kind of a ship which would enable us to stand off every country in the world if that condition should arise. [Applause.] That is the way I view this situation.

As to that part of your question which refers to the Navy having an assistant on the floor of the House to speak for the Navy on all subjects, it is now known that the Navy already prepares practically all of the bills they desire enacted into law which relate to departmental matters. These are either given to the chairman or some member of the committee, who introduces same on the floor of the House; then they go back to the clerk of the committee, who refers them to the same source from which they originated, and a report is made. In many times the report is prepared ahead of the time the bill is introduced. Therefore, according to the present procedure, practically no legislation can be enacted into law without the indorsement of the Navy for the reason the officers in charge of this great bureau have practically a strangle hold on the functions of the committee having jurisdiction over this subject. If anyone in the Navy wants to represent the same on the floor of the House, let him resign his position, go back home, and offer himself as a candidate for Congress; then, if he is elected, he may speak out in any way he sees fit. At the present time this Government suffers from too much bureaucratical control, and it is growing worse. If improvements are not to be had in the very near future, the time will eventually arrive when the people will have to rise up in some forcible manner and demand their rights.

Many students of the Geneva conference are of the opinion that an agreement could have been reached if the United States had agreed to put 6-inch guns on the new type of cruiser desired. However, when it is known that the Navy kept Admiral Jones in England off and on for a period of two years in conference with certain naval officers and that all naval officers are against the reduction of ships, it can be easily understood why the disarmament conference at Geneva was the most successfully concluded of any ever held, from the standpoint of the officers in the Navy.

I am only bringing this to your attention for one reason. I think every class of people in this Nation ought to be properly posted. I think the facts ought to be given to the public, and I am only presenting here what I would like to have presented to me if I were not a member of the Naval Affairs Committee. [Applause.]

Under the leave granted to me I insert the following table, which was prepared by the Navy and submitted to members of the Naval Affairs Committee:

	1929	1930	1931	1932	1933	1934	1935	1936	1937	Totals
1. New construction already building:										
Submarines V-5 and 6	$1,890,000	$2,000,000								$3,890,000
Cruisers 24 and 25	7,800,000	450,000								8,250,000
Cruisers 26, 27, and 30	21,000,000	13,800,000								34,800,000
Cruisers 28, 29, and 31	17,310,000	23,140,000	$9,350,000							49,800,000
2. 1928 program:										
Airplane carriers	5,700,000	11,400,000	17,100,000	$19,000,000	$19,000,000	$13,300,000	$7,600,000	$1,900,000		95,000,000
Light cruisers	25,500,000	51,000,000	76,500,000	85,000,000	85,000,000	59,500,000	34,000,000	8,500,000		425,000,000
Destroyer leaders	10,000,000	20,000,000	12,500,000	2,500,000						45,000,000
Submarines	14,000,000	28,000,000	35,000,000	35,000,000	35,000,000	21,000,000	7,000,000			175,000,000
3. Aviation construction:[1] 5-year program	18,300,000	22,550,000	24,480,000	20,340,000	18,240,000	16,540,000	16,540,000	16,540,000	16,540,000	170,070,000
4. Aviation construction:										
(a) For cruisers now building		1,310,000	1,310,000	660,000	660,000	660,000	660,000	660,000	660,000	6,580,000
(b) For 1928 program		1,500,000	1,700,000	9,180,000	10,550,000	11,180,000	13,360,000	13,190,000	9,730,000	70,390,000
5. Net increased cost, due to 1928 program and ships now building; includes personnel, and operation of ships and planes	3,025,000	9,811,000	14,469,000	16,423,000	25,208,000	33,121,000	41,049,000	47,752,000	51,883,000	242,741,000
Total of 1, 2, 3, 4, and 5	124,525,000	184,961,000	192,409,000	188,103,000	193,658,000	155,301,000	120,209,000	88,542,000	78,813,000	1,326,521,000
Cost of Naval Establishment other than covered by items 1 to 5 above	295,870,000	306,623,000	312,695,000	316,805,000	320,933,000	321,516,000	323,259,000	325,505,000	326,699,000	2,849,905,000
Total estimated costs per annum	420,395,000	491,584,000	505,104,000	504,908,000	514,591,000	476,817,000	443,468,000	414,047,000	405,512,000	4,176,426,000
Average annual expenditures for items 1, 2, 3, and 4, covering cost of new ships and aircraft and item 5 covering cost of operating such construction										147,391,222
Average annual expenditures, excluding items 1, 2, 3, 4, and 5. That is, cost of operating and maintaining present Navy, including personnel without any new construction, but including cost of modernizing Oklahoma and Nevada										316,656,111
Total average annual expenditures for present Navy plus cost of 1924 and 1928 building programs and 5-year aviation program and including all costs of operating and personnel										464,047,333

[1] Includes rigid airships and planes for Naval Reserve training.

W. L. CLAYTON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, the press dispatches in the morning paper carry a statement from W. L. Clayton, of the firm of Anderson, Clayton & Co., in which he denies the statement made by me on the floor of the House a few days ago charging his firm, together with others, with violating the Sherman Antitrust Act in unlawfully manipulating the cotton market. In that dispatch Mr. Clayton says:

> I have never made the boast which Representative RANKIN attributes to me—

referring to the charge that he is alleged to have stated that firms other than his own could not hope to avoid loss in the cotton business unless they could correctly guess his mind.

That statement is alleged to have been made in a speech before a general meeting of the New York Cotton Exchange members during May, 1926, and has been repeatedly quoted ever since that time, but this is the first time Mr. Clayton has ever denied it, so far as I have been able to learn.

My authority for that statement is contained in a speech made by Mr. Arthur R. Marsh, a former president of the New York Cotton Exchange, on February 6, 1928, to the exchange members. Mr. Marsh is an authority on cotton. He was recently retained by the Hon. Charles Evans Hughes to prepare a brief on the operation of hedges on cotton exchanges. In his speech to the members of the New York Cotton Exchange on February 6, Mr. Marsh said:

> That responsibility was irrevocably fixed when in this very room, at the general meeting of the members of the New York Cotton Exchange held in May, 1927, Mr. Clayton, with amazing assurance unqualifiedly avowed that firms other than his own can not hope to avoid loss in the cotton business unless they can correctly guess his mind.

No one has denied that Mr. Clayton made this speech, although I understand that several hundred members of the exchange were present when Mr. Marsh made this statement.

I wonder if Mr. Clayton denies having made that speech. If he has been misquoted, is it not passing strange that he never noticed the error until it was brought to light on the floor of the House? Mr. Clayton says in his statement of yesterday:

> My firm has violated no law. We have done nothing of which we or any of our friends need be ashamed. No act of ours has had the intent or the effect of depressing the cotton market.

Let us see about that. Mr. Clayton has not denied, and he can not deny, that his firm and their confederates had shipped from the New Orleans territory and concentrated in New York between one hundred and forty and two hundred thousand bales—largely transfer cotton—at a loss of from $4 to $5 a bale, practically all of which still remains in New York and was shipped there within the last 16 months to be used as a club in manipulating the market and depressing prices.

One of the best witnesses to prove the iniquity of that action is Mr. W. L. Clayton himself, who said in a speech in Atlanta, Ga., on April 9, 1926:

> The October-December operation last season is a concrete example. October, 1924, when practically all cotton was tenderable, went to a premium of about 100 points over December and attracted a stock of 175,000 bales to New York; and under the weight of this cotton December sold at 40 to 50 points under December, New Orleans, whereas the normal parity should be 75 to 80 points over December, New Orleans.

That statement shows that Mr. Clayton knew then that the concentration of this alleged stock of cotton in New York would become a most powerful weapon in the hands of any manipulator for controlling or depressing the cotton market.

In that same speech Mr. Clayton, in speaking of the enormous advantages which his firm has enjoyed, used this astounding language:

> Meantime we must be excused if we fail to feel any sense of commercial perversion in continuing to play the game according to the rules.

Admitting in that speech that he must be excused for failing to feel any sense of commercial perversion, we are not surprised that after carrying out the very same nefarious practices, Mr. Clayton comes out in the press of yesterday and says that he did nothing of which he need feel ashamed.

Mr. Clayton and those confederated with him in this gigantic conspiracy are now pretending to welcome an investigation they are going to get. Not only are they slated for an investigation by the House and Senate of the United States but the Department of Justice as well. And that is likely to prove the most interesting investigation they have ever faced, for it promises also to furnish them with a grand jury investigation, as well as proceedings to seize and confiscate this great bulk of cotton which they have unlawfully concentrated and used to manipulate the cotton market in violation of the law.

Not only that but there are probably other investigations awaiting them. Every person, firm, or corporation from whom they have taken money through these manipulations has a right under the law to go into court, bring suit, and recover judgment for their losses.

Let Congress go to the bottom of this matter, not only in its investigations but also in backing up the Department of Justice in their attempt to clear this condition up in order that we may assure the American people that this will never occur again. [Applause.]

PIONEERS IN THE WOMAN MOVEMENT

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BRAND of Georgia. Mr. Speaker, during the month of January of this year I communicated with the National Woman's Party, whose national headquarters is at 21 First Street NE., Washington, D. C., at the request of some of the club women of my district in Georgia, who were and are interested in obtaining information in respect of the lives of Lucretia Mott, Susan B. Anthony, and Elizabeth Cady Stanton, who were the pioneers of the equal-rights movement, and whose statues are in the crypt of the Capitol.

Personally speaking, I think this statue of these famous and historic women should be taken from its hiding place in the crypt of the Capitol, where few people ever see it, and that it should be placed on the second floor, where all visitors to the Capitol from this country and other nations of the world may have the opportunity of seeing the same.

The just tribute to which these three outstanding women are entitled, and which will probably be the last which this Government will ever be asked to bestow, will never be completed or grow into full fruitage until their statue is placed on the second floor of this Capitol, where it can be seen by visitors as they come and go during the ages to follow. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. BLANTON. That requires congressional action, and if the gentleman would introduce a resolution to that effect, we could then get action and get the statue moved up where it ought to be.

Mr. BRAND of Georgia. I have been thinking of doing that for some time. The bill for this purpose will be ready for introduction within a day or two.

Mr. LINTHICUM. Does the gentleman from Georgia propose to give a history of the life of all three of these ladies or just the one?

Mr. BRAND of Georgia. I was only asked to give that of Miss Anthony.

Mr. LINTHICUM. Does not the gentleman think it would be well to do that as to all three of them?

Mr. BRAND of Georgia. I do, and I will be glad to comply with the gentleman's suggestion.

In one of the letters from Miss Mabel Vernon, national executive secretary of the National Woman's Party, she stated that they would like to have February 15, the birthday of Susan B. Anthony, observed as widely as possible. She further stated in this letter that they would appreciate it if I would call attention to the work of this great woman on that day on the floor of the House of Representatives. I take pleasure in complying with this request, and now present to the House of Representatives a brief statement of the life and activities of Miss Anthony, which was sent to me by Miss Vernon, and also statements of the lives and activities of Lucretia Mott and Elizabeth Cady Stanton, the same, respectively, being in words and figures as follows:

SUSAN B. ANTHONY—MILITANT SUFFRAGIST (1820–1906)

Born in South Adams, Mass., February 15, 1820.

Died in Rochester, N. Y., March 13, 1906.

Father: A cotton manufacturer and liberal Quaker, who educated his daughters to be self-supporting. Moved to Rochester in 1848.

Teaching: Taught in New York from 1835 to 1850. When she was 17 she received $1.50 a week and "boarded 'round"—excellent wages for a woman.

SUFFRAGE AND EQUAL-RIGHTS WORK

1852. Met Mrs. Stanton, the suffrage leader, at Seneca Falls. Joined Mrs. Stanton, Horace Greeley, and others in an attempt to have women admitted to the "People's College," then being started. But it was merged into Cornell and women excluded.

At the temperance convention in Albany, to which she was a delegate, she rose to speak to a motion, but was rebuked by the presiding officer, who told her that "the sisters were not invited to speak but to listen and learn." She and three or four other women left the hall.

1853. The first woman to speak on the floor of a teachers' convention. She helped to introduce a resolution for recognition of the right of women teachers to equal pay, which was carried despite the president's protests.

1854. Held suffrage meetings in every county in New York. Held suffrage conventions in every year after that up to Civil War. Petitions for suffrage and equal guardianship rights for women drawn up at State suffrage convention were presented to New York Legislature.

Canvassed New York annually with similar petitions to the legislature. Traveled to many towns off the railroad line, enduring many hardships.

1859. Forced to abandon speaking because of a breakdown in health, she continued writing and circularizing. She wrote: "No genuine equality, no real freedom, no true manhood or womanhood can exist on any foundation save that of pecuniary independence."

1861. Persuaded to give up preparations for the annual women's rights convention to concentrate on work to win the war, though she was not misled by the sophistry that the rights of women would be recognized after the war if they helped to end it.

1863. Organized Woman's National Loyal League to support the Government in the Civil War.

1864. She agitated for the inclusion of women in the fourteenth and fifteenth amendments. Even the abolitionists opposed her, saying, "This is the negro's hour." Miss Anthony then decided to devote more effort to State campaigns so that the demand of women for national enfranchisement would have behind it the power of votes.

1872. Arrested.

She determined to test the fifteenth amendment. She was allowed to register in Rochester and to cast her ballot. She was arrested, tried, and found guilty by an instructed jury. A fine was imposed, which she refused to pay, saying, "I shall earnestly and persistently continue to urge all women to the practical recognition of the old revolutionary maxim, 'Resistance to tyranny is obedience to God.'"

1878. Secured the introduction for the first time in the United States Senate of a Federal suffrage amendment in the same form in which the nineteenth amendment was finally passed.

ATTITUDE ON POLITICS

Miss Anthony's attitude toward political parties is illustrated by her words, "My view of our true position is to hold ourselves as a balance of power, to give aid and comfort to the party which shall inscribe on its banners 'Freedom to women.' I do not expect any man to see and act with me, but I do not understand how any woman can do otherwise than refuse to accept any party which ignores her sex."

Immediately upon the mention of the claims of women in the platform of the Republican Party Miss Anthony made an effort to have the Democrats follow suit. Her political policy was adopted by the National Woman's Party and followed from 1913 on.

1896. Entered the presidential campaigns and spoke for suffrage at every party convention.

Continuously until her death in 1906 worked for suffrage in State-to-State campaigns. She always advocated securing suffrage by Federal action and constantly protested to Congress against the necessity of laborious State-by-State campaigns; but she realized that Congress would not act until women had sufficient voting power in the States to compel it.

Throughout her life Miss Anthony's watchword was "No compromise."

TO SUSAN B. ANTHONY

(Reprinted on cover of Suffragist, February 13, 1915)

Something there was that you imagined not,
For all your wisdom, temperate and high,
How unto us, to whom the kinder years
Secure a fairer fight, an easier lot,
Your name would be a creed, a battle cry,
A silver trumpet blowing to the sky.
Steeling our hearts, filling our eyes with tears,
Giving us fire and fortitude and love;
This was, alas! a thing you never guessed—
How younger women whom you knew not of
Would rise and call you blessed.

—By Alice Duer Miller, in New York Tribune.

LUCRETIA MOTT

Lucretia Mott was born January 3, 1793, on the island of Nantucket, the second child of Thomas and Anna Coffin. Her ancestors had lived on the island of Nantucket since its first settlement by white men in 1659. Lucretia spent her childhood there and many times in later life refers to the years she spent on this island.

Captain Coffin, Lucretia's father, was engaged in the sea trade with East India and was often gone long from his home. At those times her mother, Anna Coffin, with six little children carried on the activities of the home. Lucretia, writing in her diary of those early days, said: "In those early days I was actively useful to my mother, who in the absence of my father on his long voyages carried on a mercantile business and often made trips to Boston to purchase goods." The exercise of women's talents in this line, as well as the general care which devolved on them in the absence of their husbands, tended to develop and strengthen them mentally and physically.

Captain Coffin with his family moved to Boston in 1804.

At 13 years of age Lucretia, with a younger sister, was sent to the Friends Boarding School at Nine Partners, N. Y. At this school she became a fast friend of Sarah Mott, a sister of James Mott, whom she afterwards married.

After two years as pupil she was appointed assitsant teacher at a salary of $100 a year. At the end of the year she received further promotion as regular teacher, with the inducement that in this position her younger sister would be entitled to her education.

The family moved to Philadelphia in 1809.

In 1811, in her nineteenth year, Lucretia married James Mott. In their young married life there were many turns of fortune, all of which she met in heroic manner.

When their little family was growing about them and Mr. Mott was becoming prosperous in business, Mrs. Mott, now 25 years of age, felt called to a more public life and engaged in the ministry of the Society of Friends and became an inspiring preacher and lecturer.

In all her efforts she had the cordial support of her husband. The names of James and Lucretia Mott were inseparably linked in their public activities. Their home was a meeting place for eminent persons, including visitors from abroad.

In 1840 a world's antislavery convention was called in London. Women from Boston, New York, and Philadelphia were delegates to that convention. Lucretia Mott was one of the delegates, but on her arrival in England her credentials were not accepted because she was a woman.

At this convention she met Elizabeth Cady Stanton. Mrs. Mott and Mrs. Stanton, sitting in the railed-off space assigned to women, had listened to a long debate on the question of admitting women as members of the convention. They had heard the last thing before adjournment the overwhelming chorus of "noes" that barred women out. They left the hall together, "burning with indignation," and resolved on their way back to their lodgings that when they went home they would call a convention to take up just one thing—the rights of women.

The result of this meeting was the first women's rights convention in Seneca Falls, N. Y., July 19 and 20, 1848.

The Declaration of Independence was chosen as a model for a "declaration of sentiments" to be presented at the convention, and a list of 18 grievances was collected to match the 18 set forth by the declaration of 1776.

This enumeration complains of the deprivation of the franchise; the exclusion from legislative bodies; civil death upon marriage; moral irresponsibility for crimes committed in the presence of the husband; loss of property rights upon marriage; inequality in the laws of divorce and guardianship of children; taxation without representation; exclusion from nearly all profitable employments, and discrimination in pay in those employments which she is permitted to follow; exclusion from teaching theology, medicine, or law; exclusion from all colleges; exclusion from the ministry and an equal participation in the affairs of the church; and the creation of a false public sentiment through the promulgation of two codes of morals. It concludes "He has endeavored in every way that he could to destroy her confidence in her own powers, to lessen her self-respect, and to make her willing to lead a dependent and abject life."

As the "declaration of sentiments" covered the entire feminist program, the resolutions have a familiar ring. Thus we find an important aim of the Woman's Party in the fourth resolution "that the women of this country ought to be enlightened in regard to the laws under which they live that they may no longer publish their degradation by declaring themselves satisfied with their present position, nor their ignorance by asserting that they have all the rights they want."

No man was called in the first day of the convention, when the real work was done in a meeting of which no record seems to have been preserved. It was hastily decided on the second day not only to permit the men to remain but to make James Mott chairman of the meeting. Mrs. Mott was an experienced and self-possessed speaker, but was handicapped for the position of chairman by a light voice.

The Seneca Falls convention adjourned after two days, but so many points of discussion had developed that it was agreed to have another meeting at Rochester two weeks later. This meeting was filled to overflowing.

In 1852 Mrs. Mott was elected president of the women's rights convention at Syracuse. The Syracuse Standard reports that she presided with an ease, dignity, and grace that might be envied by the most experienced legislator in the country.

Mrs. Mott was the first president of the Equal Rights Association, founded in New York in 1866.

She presided in January, 1869, at the first woman suffrage convention ever held in Washington. All associations friendly to woman's rights were invited to send delegates to this convention.

The last convention at which Lucretia Mott appeared was the convention of the National Woman Suffrage Association in 1879, when she was 86 years old.

Lucretia Mott spent her last days at Roadside, near Philadelphia. She died November 11, 1880, and is buried in the Friends Burying Ground at Fair Hill. At the time of her death memorial services were held in many cities throughout the country, at which tribute was paid to her life and work.

Carrying on the fight for equality in which Lucretia Mott led the way, the Woman's Party is now working for an amendment to the United States Constitution which provides: "Men and women shall have equal rights throughout the United States and every place subject to its jurisdiction." This amendment is called the "Lucretia Mott amendment."

[NOTE.—The above information taken from History of Woman Suffrage, edited by Ida Husted Harper; an article by Lucretia Mott Motchell in January-February, 1921, issue of the Suffragist; article by Carol Rehfisch in June 23, 1923, issue of Equal Rights; Life and Letters of James and Lucretia Mott by Anna Davis Hallowell.]

ELIZABETH CADY STANTON, ONE OF THE THREE PIONEERS IN THE WOMAN MOVEMENT

Elizabeth Cady was born at Johnstown, N. Y., November 12, 1815, the daughter of Daniel Cady, judge of the Supreme Court and Court of Appeals of New York, and of Margaret Livingston Cady, the daughter of Col. James Livingston, of General Washington's staff. She married Henry Brewster Stanton in 1840, and in May of that year attended the World's Antislavery Convention in London. Mrs. Stanton and other women were not allowed to take seats because of their sex. She and Lucretia Mott decided to call a woman's rights convention upon their return to America. Together they wrote the call to the Seneca Falls convention of 1848. At the first session Mrs. Stanton offered a resolution demanding the ballot for women as the most important right, which was adopted in the face of protest.

In 1863 Mrs. Stanton and Miss Anthony formed the Woman's Loyal League, of which Mrs. Stanton was president. In 1867 the two women established The Revolution, a political newspaper, of which Mrs. Stanton was editor in chief.

In 1869 was founded the National Woman's Suffrage Association, of which Mrs. Stanton was president more than 25 years. At the convention of the association in Washington in 1878 Mrs. Stanton brought forward the demand for a separate woman suffrage amendment.

Mrs. Stanton conceived the idea of the International Council of Women and presided at the first meeting in Washington, March, 1888.

She worked for and helped to secure in some States property rights for women, equal guardianship laws, and their right to their own wages.

She died October 26, 1902, the last document she signed being a plea for liberty for women, which appeared in an editorial in a New York newspaper.

PERMISSION TO ADDRESS THE HOUSE

Mr. MORROW. Mr. Speaker, I ask unanimous consent that to-morrow morning, after the reading of the Journal and the disposition of matters on the Speaker's table, I may be permitted to address the House for 15 minutes concerning the passage of the bill S. 700, as amended in the House, along the line of the speech of the gentleman from Michigan [Mr. CRAMTON] this morning.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10635) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1929, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10635, with Mr. MICHENER in the chair.

The Clerk read the title of the bill.

The Clerk read down to and including line 4 on page 56.

Mr. WARREN. Mr. Chairman, yesterday when the paragraph on the Coast Guard was considered I was called out of the Chamber. I ask unanimous consent that I may be permitted to address the committee for seven minutes on that paragraph.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Chairman, I wish to thank the gentleman from Illinois [Mr. MADDEN] and his subcommittee for their treatment of the Coast Guard in this bill, and especially in their recognition of the fact that new buildings and repairs are so vitally necessary. There are more Coast Guard stations in my district than any other in America, and it is my pleasure to know all the men in the service down there, and to appreciate the magnificent work they have done. The Coast Guard is one of the least understood and one of the least known of our departments of Government, and they have no papers or press agents to carry what they are doing to the country.

Did you know—

That in the last fiscal year they saved or rescued from peril 3,313 human souls, the largest number in any one year since the organization of the service, and that the total number of assistance rendered was 5,508?

Did you know—

That the value of the ships and cargoes assisted was $37,801,357, and that in the enforcement of the laws of the United States—navigation, motor boat, and custom laws—68,223 vessels were boarded and examined during the year?

Did you know—

That in the Mississippi floods last spring the Coast Guard removed 43,853 persons from perilous positions and saved 11,313 herds of livestock?

Those are just a few examples of a phase of their work that is not generally known. In recent years the Coast Guard has been called upon to enforce a law, the righteousness or possible unwisdom of which is not to be discussed, but the fact is that, having to administer this law, the great and noble purpose for which they were created is being fast overshadowed, and in some sections they have become the target for slurs and falsehoods and insinuations.

When the marine is carried away from his country and loved ones to chase Sandino, he does not stop to question what his Government's foreign policy is. When the man in the Navy is carried to eastern waters and landed in China, he does not stop to reason why. When the man in the Army is called out to preserve the peace, he does not ask why he is there. And so it is not in the province of the Coast Guard, nor do they question the wisdom of a law they are called on to enforce, but perform their duty with a singleness of purpose and unafraid. And yet the marine and the soldier and the sailor are not criticized for obeying orders, while the Coast Guard in the performance of their duty are having hurled at their heads in some sections the terms "spy," "detective," and "snooper."

They are exposed to more temptations than any men in any service anywhere. Snags and pitfalls are thrown across their path, but to their everlasting credit they are meeting the test and coming out unscathed. Just a few months ago in this campaign of detraction that has been carried on against the Coast Guard in some sections, there was published in one of the leading magazines in the country an article carrying the inference that the service was shot through with graft. I tell you, both from knowledge, information, and investigation that it is a miserable lie and a slander and insult offered to brave men.

I want to see this great organization expand and grow. I want to see the ambitions and aspirations that its great admiral—and he is an administrative genius—has for the service realized. I want to see the housing facilities at many of the stations so improved that at least the men may have the ordinary comforts of life. I want to see the man when he enters the service have the incentive that after he has served his Government loyally and faithfully for 30 long years in this perilous work, that he may be retired upon his option. I want to see every man in charge of an active station a warrant officer. I want to see Congress abandon its policy of indifference and neglect, and hereafter give this organization the necessary appropriations to decently and efficiently operate.

Mr. MADDEN. The gentleman must know, I assume, that the Coast Guard has the same retirement privileges that the Army and the Navy have.

Mr. WARREN. I fully understand that.

Mr. MADDEN. I was wondering what the gentleman meant by stating he wanted to see them have retirement privileges.

Mr. WARREN. I did not say retirement. Here is what I was going to say: Some day, when we have more men here

in Congress who think in terms of human rather than property rights, we are going to make a fight to place the Coast Guard under the pension laws of the country, where they ought to be.

Mr. MADDEN. They have better provisions now. They have the retirement privileges that the Army and the Navy have.

Mr. WARREN. I fully understand that, but they are not under the pension laws like the Army and the Navy.

Mr. MADDEN. They are; exactly.

Mr. WARREN. Well, I still beg leave to disagree with the gentleman, and I will point that out later.

The man in the Coast Guard is just as much in the service of his country as the man in the Army and Navy, for in time of war they are part of the armed forces; but yet, when one of them dies or is killed in the performance of his duty or is foully murdered, as is frequently the case, their loved ones receive a notation that he was a brave man, and they are granted six months' pay. Pitiful cases of distress and need are coming in from all sections.

Mr. BULWINKLE. If the gentleman will permit, they have the same rights with respect to war-risk insurance as the men in the Army and the Navy at the present time.

Mr. WARREN. I understand that.

Now, answering the question of the gentleman from Illinois [Mr. MADDEN], of course I know that the same retirement law applies to the Army, the Navy, and the Coast Guard. When a man in the Army or Navy is killed in the performance of his duty his dependents come under the pension laws. This is not true of the Coast Guard, and this discrimination is what I am protesting against. Just recently a fine young man in the service from my district was brutally murdered in the performance of his duty in Florida. He left a wife and several small children, who are destitute. The only aid they got was six months' salary under the retirement act. I know that the gentleman from Illinois [Mr. MADDEN] has been a consistent friend of the Coast Guard, and I hope that we will have the benefit of his great influence to remedy this discrimination.

Our Government is too great and too fair to mete out this injustice and to tolerate this situation to exist much longer.

I love to think of the Coast Guard, gentlemen of the House, as fulfilling the mission for which it was created. I like to think of it as serving humanity. I like to picture the sun-crowned but lonely patrol on our wind-swept coast burning his Coston signal to herald that succor is near.

I like to picture the man in the lookout with his eagle eye sweeping the sea in his eternal vigil. I like to picture them in their surfboats through mountainous seas and storms and tempests snatching men from the very jaws of death. I like to picture them as firing the gun and sending true the line, and with strong hands and fearless hearts bringing in to safety human beings who had despaired of all. I like to see them in their stations rendering aid and sympathy and love to the unfortunate sojourners whom fate throws up in their midst. That is what the Coast Guard is. That is my conception of the service. That is where their heart is, and that is why their deeds have been one grand epic that sweeps down the decades.

They that go down to the sea in ships, that do business in great waters—these see the works of the Lord and his wonders in the deep.

The Clerk read as follows:

Operating supplies: For fuel, steam, gas for lighting and heating purposes, water, ice, lighting supplies, electric current for lighting, heating, and power purposes, telephone service for custodial forces; removal of ashes and rubbish, snow, and ice; cutting grass and weeds, washing towels, and miscellaneous items for the use of the custodial forces in the care and maintenance of completed and occupied public buildings and the grounds thereof under the control of the Treasury Department, and in the care and maintenance of the equipment and furnishings in such buildings; miscellaneous supplies, tools, and appliances required in the operation (not embracing repairs) of the mechanical equipment, including heating, plumbing, hoisting, gas piping, ventilating, vacuum-cleaning and refrigerating apparatus, electric-light plants, meters, interior pneumatic-tube and intercommunicating telephone systems, conduit wiring, call-bell and signal systems in such buildings, and for the transportation of articles or supplies, authorized herein (including the customhouse in the District of Columbia, but excluding any other public building under the control of the Treasury Department within the District of Columbia, and excluding also marine hospitals and quarantine stations, mints, branch mints, and assay offices, and personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of $100 at any one building), $3,090,000. The appropriation made herein for gas shall include the rental and use of gas governors when ordered by the Secretary of the Treasury in writing: *Provided*, That rentals shall not be paid for such gas governors greater than 35 per cent of the actual value of the gas saved thereby, which saving shall be determined by such tests as the Secretary of the Treasury shall direct: *Provided further*, That the Secretary of the Treasury is authorized to contract for the purchase of fuel for public buildings under the control of the Treasury Department in advance of the availability of the appropriation for the payment thereof. Such contracts, however, shall not exceed the necessities of the current fiscal year.

Mr. MADDEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 63, line 17, after the word "that," insert the word "hereafter."

Mr. MADDEN. Mr. Chairman, we have been carrying this language for a great many years. It requires the Secretary of the Treasury to get a supply of coal in advance—to contract for it a year in advance. It has been carried for a long time, and there has been no objection to it. It ought to be carried, and I see no reason why we should not make it permanent; and that is the reason we are offering the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk read as follows:

AMERICAN PRINTING HOUSE FOR THE BLIND

To enable the American Printing House for the Blind more adequately to provide books and apparatus for the education of the blind in accordance with the provisions of the act approved August 4, 1919, $65,000.

Mr. BYRNS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 64, line 13, after the figures "$65,000," insert a colon and add the following: "*Provided*, That the sum herein appropriated shall not be expended unless two copies of each publication printed by the American Printing House for the Blind during the fiscal year 1929 shall be furnished free of charge to the National Library for the Blind, located in Washington, D. C."

Mr. THATCHER. Mr. Chairman, I make a point of order that that is legislation on an appropriation bill.

The CHAIRMAN. The Chair will be pleased to hear from the gentleman from Tennessee as to the authority of law.

Mr. BYRNS. Mr. Chairman, I insist that the amendment does not carry any legislation. It is purely a limitation. It does not instruct or direct the American Printing House Co.; there is no provision directing the American Printing House for the Blind to furnish the publications. It simply says if it does not furnish them it shall not get the money. There is no legislation in the amendment. There is no duty imposed on this printing institution in Louisville, Ky.; it is not required to furnish them; it is simply a limitation on the appropriation that it is not to be available unless they do the thing provided in the amendment. I insist that there is no legislation in it, and it is not subject to a point of order.

I am perfectly aware that any limitation which carries with it legislation or which imposes additional duties on officials of the Government is subject to a point of order. In the first place, Mr. Chairman, the American Printing House for the Blind is not a Government institution. Therefore if it carried direction to that printing house to supply these books it would not be subject to the objection that it was imposing additional duties on Government officials. In addition to that, I repeat that there is nothing in the amendment requiring the American Printing House for the Blind to furnish books. It simply says if you do not do it you do not get the money.

Mr. THATCHER. Mr. Chairman, I am sorry that I am not able to agree with the gentleman from Tennessee. The language of the amendment is ingeniously drawn and its purpose is legislation. The acts of Congress of 1919 and 1927 which authorize the appropriation of money for the American Printing House for the Blind relate back to and tie into the basic act of 1879, the act of Congress which provided that the money appropriated thereunder for the purpose of the American Printing House for the Blind shall be expended for books and periodicals for the education of the blind of the entire country and shall be apportioned to the schools for the blind in all the States of the Union and to the Territories, including the District of Columbia, according to the number of blind pupils in these schools as regularly and annually certified by the superintendents of the respective schools for this purpose.

Now, these acts which determine how this money shall be expended limit the application of funds made under appropriations for these schools for the blind; that is to say, to those that have been established agreeably to the laws of the States and Territories.

To-day these books and apparatus which, under the basic law, must be furnished to the schools for the education of the blind in the country without a cent of profit on their production to the American Printing House for the Blind, are distributed in this way, and the purpose of the amendment is to set aside the existing law to the extent of making it mandatory as to $1,280 worth of books that they shall furnish the National Library for the Blind, which is a private institution, though receiving a gratuity of $5,000 a year under congressional appropriation, and which is not entitled under existing law to receive any of these books at all. Hence, the amendment, if adopted, will change the basic law of Congress.

I submit, therefore, that the proposed amendment is legislation pure and simple, and it illustrates the wisdom of the rule that legislation should not come in this form on an appropriation bill.

Mr. BYRNS. Mr. Chairman, I do not want to take up the time of the Chair unduly. Much that the gentleman from Kentucky [Mr. THATCHER] has said refers to the merits of the amendment. That is a matter for discussion if the amendment should be held in order. My point is simply this: Congress heretofore passed acts authorizing certain appropriations. Of course the Chair is familiar with the fact that merely because an act has been passed authorizing an appropriation it is not necessary for Congress to make the appropriation, either in the amount named in the authorization act or any part of it, if Congress does not see fit to do so. The authorization act simply provides that Congress may do it if it sees fit on an appropriation bill, and brings it within the rules of the House.

Here is an appropriation of $65,000 in addition to the $10,000 which is carried under a permanent appropriation. This amendment simply provides that this $65,000 herein appropriated shall not be expended unless the American Printing House for the Blind shall furnish to the National Library for the Blind, located here in the city of Washington, to the upkeep of which our Government contributes, two copies of each publication during the fiscal year 1929. There is no legislation in that. If the American Printing House for the Blind does not want to furnish the copies, it need not do it, but it will not get the appropriation unless it does. There is no direction or duty sought to be imposed. The amendment simply provides that if they want the $65,000 they have to supply this National Library for the Blind in the District of Columbia with two copies free of these publications. I insist that it is not legislation and no duty or obligation is imposed upon the American Printing House for the Blind.

Mr. MADDEN. Mr. Chairman, the law of 1879 clearly obligates this institution, the American Printing House for the Blind, to contribute books and prints to public institutions of learning for the blind in the States. I apprehend there has been no question about the fulfillment of that obligation. The amendment offered by my friend from Tennessee [Mr. BYRNS] obligates the American Printing House for the Blind to supply two books of each kind printed to the National Library for the Blind, located in the city of Washington. It is a library, not a public institution of learning, such as is referred to in the States. The question arises, Shall we differentiate between what the act originally said, under which the American Printing House for the Blind is compelled to supply books to these educational institutions in the States, and a library for the blind, privately owned, privately operated, to which the Government, it is true contributes something annually, though I apprehend that that has nothing to do with the point of order? The only question that arises in my mind is whether the National Library for the Blind comes within the rule laid down in the law of 1879 requiring the Printing House for the Blind to contribute these books. If it comes within that law, of course I apprehend that the amendment is not necessary. If it does not come within the law, then the amendment would be clearly without the law.

The CHAIRMAN. The law seems to refer to public institutions. If this library for the blind is a public institution, then there would be some justification for holding the amendment in order. The precedents of the House hold that a limitation accompanied by an affirmative direction to a departmental officer by the use of the word "unless," he shall do some particular thing, is, in effect, legislation and therefore not in order.

Mr. BYRNS. Mr. Chairman, will the Chair permit an interruption?

The CHAIRMAN. Certainly.

Mr. BYRNS. I again call the attention of the Chair to the fact that this is not a public institution and this is therefore not an instruction, as I said, to any departmental officer or any officer of the Government. It is purely a private institution.

Mr. THATCHER. But this is under the general supervision of the Secretary of the Treasury, and reports must be made to the Secretary of the Treasury, and this appropriation is made under the auspices of the Secretary of the Treasury.

The CHAIRMAN. The law provides that these copies may be furnished upon the "request" of the institution. The amendment provides a direction to deliver, notwithstanding that no request has been made, but not until certain prescribed action has been taken. The Chair therefore sustains the point of order.

Mr. BYRNS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: Page 64, line 13, after the figures "$65,000," insert a colon and the following: "*Provided*, That no part of the sum herein appropriated shall be expended until the said American Printing House for the Blind shall have filed with the Treasurer of the United States an agreement in writing that it will furnish free of charge to the National Library for the Blind, located in Washington, D. C., two copies of each publication printed by said American Printing House for the Blind during the fiscal year 1929."

Mr. THATCHER. Mr. Chairman, I make the same point of order against that amendment for the same reason, that it is legislation on an appropriation bill.

Mr. BYRNS. Mr. Chairman, the Chair in his ruling stated that the former amendment was a direction to the American Printing House for the Blind to furnish copies of these publications. I respectfully insist that in that amendment and in the amendment now pending there is absolutely and positively no direction to the American Printing House for the Blind to furnish any publications. There is no effort and no purpose in the amendment to compel the American Printing House for the Blind to furnish any publication to the National Library for the Blind, located here in Washington. It simply provides that if they want this $65,000 they must furnish them. If they do not want to do that, then this $65,000 remains in the Treasury and is not paid over to them. It is simply a question whether the American Printing House for the Blind wishes to furnish the publications, or whether it prefers not to furnish them and not take the appropriation.

Now something has been said here, Mr. Chairman, about the merits of this proposition. I have in my hand here a statement that shows that of the $25,000 appropriated under the last act passed, $12,680 went to increase of salaries. Among those increases—and remember it is a private institution—the superintendent had his salary increased from $5,000 to $6,500, and then provided a new assistant superintendent at $2,500. Then they gave to the printing people and the pressmen little increases of about $60 a year. So that when the gentleman from Kentucky [Mr. THATCHER] says that this is for the purpose of distributing books free to the States, he is not wholly correct. It seems to me that this semipublic institution here in Washington, which has 13,000 volumes and which furnishes these 13,000 volumes on request to any institution throughout the Union, and for which the Federal Government, through the District of Columbia appropriation bill, appropriates $5,000 a year, is worthy of consideration. Former Senator Gore, of Oklahoma, who is the chairman of the National Library for the Blind, insists that it is important for this very worthy institution. It has an endowment, but it could not get along without the appropriation from the Government.

Now, what are we asking of this Louisville institution, which has been drawing $10,000 since 1879, and $40,000 since 1918, and $75,000 for the past year? To contribute something which on its own admission will not cost more than $1,200 a year. I am rather surprised that there should be any objection on the part of that institution to make this little contribution to the institution for the blind here in Washington, which can hardly get along with the $5,000 which the Government appropriates through the District of Columbia appropriation bill.

Now, I insist, Mr. Chairman, that in this amendment there is not the slightest legislation. It is simply a limitation pure and simple, requiring, as many other appropriation items do, that "if you get this money, you must file a written agreement that you will furnish these few books to the National Library." It is entirely optional. It does not impose any legislative duty whatever upon the American Printing House for the Blind or any other institution. It is such a limitation as appears in many other appropriation bills.

Mr. THATCHER. Mr. Chairman, the facts with respect to these questions about the salaries granted have been thrashed out before the committee and accepted, and they have been reported to the Treasury Department, and the amounts accepted as being reasonable and justified, and estimates have been submitted and appropriations accordingly made. I am sorry that the gentleman from Tennessee [Mr. BYRNS] has brought this subject in at this stage of the matter, because I think it has no bearing on the question at issue.

Now, the last amendment seeks to do by indirection what can not be done directly. I call the attention of the chairman to the act of March 3, 1879, which provides that certain books and apparatus shall each year be distributed among all the public institutions and establishments for the education of the blind. I read:

1. The income upon the bonds thus held in trust for the education of the blind shall be expended by the trustees of the American Printing House each year in manufacturing and furnishing embossed books for the blind and tangible apparatus for their instruction. And the total amount of such books and apparatus so manufactured and furnished by this income shall each year be distributed among all the public institutions for the education of the blind in the States and Territories of the United States and the District of Columbia, upon the requisition of the superintendent of each, duly certified by its board of trustees. The basis of such distribution shall be the total number of pupils in all the public institutions for the education of the blind, to be authenticated in such manner and as often as the trustees of the said American Printing House shall require; and each institution shall receive, in books and apparatus, that portion of the total income of said bonds, held by the Secretary of the Treasury of the United States in trust for the education of the blind, as is shown by the ratio between the number of pupils in that institution for the education of the blind and the total number of pupils in all the public institutions for the education of the blind, which ratio shall be computed upon the first Monday in January of each year.

2. No part of the income from said bonds shall be expended in the erection or leasing of buildings.

3. No profit shall be put on any books or tangible apparatus for the instruction of the blind manufactured or furnished by the trustees of said American Printing House for the Blind, located in Louisville, Ky., and the price put upon each article so manufactured or furnished shall only be its actual cost.

4. The Secretary of the Treasury of the United States shall have the authority to withhold the income arising from said bonds thus set apart for the education of the blind of the United States whenever he shall receive satisfactory proof that the trustees of said American Printing House for the Blind, located in Louisville, Ky., are not using the income from these bonds for the benefit of the blind in the public institutions for the education of the blind of the United States.

5. Before any money be paid to the treasurer of the American Printing House for the Blind by the Secretary of the Treasury of the United States, the treasurer of the American Printing House for the Blind shall execute a bond, with two approved sureties, to the amount of $20,000, conditioned that the interest so received shall be expended according to this law and all amendments thereto, which shall be held by the Secretary of the Treasury of the United States, and shall be renewed every two years.

6. The superintendent of the various public institutions for the education of the blind in the United States shall each ex officio be a member of the board of trustees of the American Printing House for the Blind, located in the city of Louisville, Ky.

* * * * * * *

IV. That the trustees of said American Printing House for the Blind shall annually make to the Secretary of the Treasury of the United States a report of the items of their expenditure of the income of said bonds during the year preceding their report, and shall annually furnish him with a voucher from each public institution for the education of the blind, showing that the amount of books and tangible apparatus due has been received.

V. That this act shall take effect from and after its passage.

I may say in passing that the State of Kentucky, which was the pioneer in printing for the blind in this country, began in 1858 to carry on this work. It was quite successful in a local way, with the result that institutions all over the country for the education of the blind joined in requests and made contribution for the purchase of books at cost furnished by the American Printing House for the Blind, and finally Congress passed the act of 1879, prescribing the terms on which books might be printed there for distribution all over the country to the institutions where the blind children were being educated. The State of Kentucky has contributed as a gratuity about $125,000 to $150,000 worth of property at Louisville, without one cent of advantage over any other State in the Union; and if this amendment should be adopted, it means that the blind schools of Texas and Minnesota and New York and every other State in the Union will have their allocations of books for use reduced to the extent that books may be furnished this Washington library.

Mr. BYRNS. May I ask, how much will this cost the American Printing House for the Blind?

Mr. THATCHER. It will cost nearly $1,300 a year.

Mr. BYRNS. How much was the superintendent's salary increased just a year ago?

Mr. THATCHER. It was over a year ago.

Mr. BYRNS. I want to ask the gentleman another question, so he can answer all of these questions. Was not his salary increased $1,500, from $5,000 to $6,500, and did they not provide for a new assistant superintendent at $2,500 just about a year ago? I submit, if the gentleman's argument be correct, that in the increase which was made then they were cutting the institutions out of their just deserts?

Mr. THATCHER. I will answer the gentleman on that. The present superintendent of this institution was formerly the superintendent for the blind in the State of Texas. He was the unanimous choice of the superintendents of the United States when they assembled, and he was told that if he would give up his work in Texas and take charge of this important work, which needed a superintendent, he would be paid in a short time $6,500, which he considered as being necessary in order to justify him in giving up his work in Texas.

Mr. BYRNS. How long has he been serving as superintendent?

Mr. THATCHER. Not over two or three years.

Mr. BYRNS. Then they waited for some time before they increased his salary because his salary only went into effect in May, 1927.

Mr. THATCHER. I understand, but the superintendents of the United States agreed to that, and he is only in the position to-day because of the agreement that he should receive that salary if he would give up his work in Texas. As to the other increases, the American Printing House for the Blind has a work that is very technical and very difficult, and these increases were made after the compensation of those employed in every other element of industry in the country had been increased on account of war conditions and after-war conditions. These questions have been gone into by the subcommittees dealing with this appropriation, and they have been shown that these increases were justified.

This proposed amendment undertakes to change the law and to make it obligatory, in order that this appropriation may function at all, that two copies of each of these publications shall be furnished to this particular library, a private institution, at a cost of something like $1,300 a year. I submit, if that can be done, then the 50 or 60 other libraries for the blind in this country will have the same right and the same justification for asking that they be treated in the same way.

Mr. REED of New York. That is exactly what other institutions will do. The minute you provide that this library shall receive these copies, then every other library in the country will be demanding the same thing.

Mr. BYRNS. How could they demand it with any degree of justice?

Mr. REED of New York. They could do it, and would do it if this action were taken.

Mr. BYRNS. There are no other institutions in any State and there are no other libraries for which the States or Congress appropriates $75,000 as a gratuity, as is the case in connection with the American Printing House for the Blind, and it seems to me it is a very little thing for the Federal Government, which appropriates as a gratuity $75,000 to this private institution, to ask that it give $1,300 worth of publications to this institution in Washington.

Mr. THATCHER. If this action were taken with regard to this institution here there would be the same reason for such action with reference to the other 60 libraries in this country, and they would be making requests of the same character. Every dollar of the $75,000 appropriated by Congress is expended in the cost of books and apparatus for the blind pupils of the United States, including the Territories and the District of Columbia. The American Printing House for the Blind exists only for this purpose, and it is altogether dependent on this appropriation, and books and apparatus furnished to the schools for the blind throughout the country under the basic act of Congress must be, and are, furnished at cost on a pro rata basis of blind-school population in the States, Territories, and the District of Columbia.

The CHAIRMAN. The Chair is ready to rule. The discussion on the floor has been largely with reference to the merits of the proposition. The Chair is not passing on the merits.

It seems to the Chair that this amendment is clearly a limitation with an affirmative direction. A limitation simply provides that money shall not be spent for a specific purpose. This amendment goes further and says that this money shall not be spent unless or until certain things are done.

One particular decision has been called to the attention of the Chair, rendered in Committee of the Whole, on February 20, 1926, when the gentleman from Ohio [Mr. BEGG] was in the chair. At that time the following amendment was offered:

Amendment offered by Mr. FISH: On page 6, line 1, after the figures "$3,000,000," insert a colon and the following: "*Provided further,*

That not more than one-half of this sum shall be expended unless or until plans and estimates are proposed and approved by said commission for the erection near Sechault, France"—

And so on. In passing upon a point of order made against the amendment the Chairman said:

From a careful reading of section 2, which has been read by the gentleman from Alabama [Mr. BANKHEAD], it seems to the Chair that the gentleman's amendment, as the gentleman from Illinois [Mr. CHINDBLOM] says, directs the commission to do a specific thing, actually changing the basic law creating the commission, and that the amendment does not restrict in any sense the appropriation.

Now, the Chair after examining these two amendments finds that in intent they are very similar.

It can not be said that this amendment restricts the appropriation alone, but goes further and directs that certain things shall be done. Therefore the Chair sustains the point of order.

The Clerk read as follows:

For compensation to postmasters, $52,000,000.

Mr. O'CONNELL. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection

There was no objection.

Mr. O'CONNELL. Mr. Chairman, it is a pleasure to me to take this opportunity to recommend H. R. 5837, introduced by Mr. SPROUL of Illinois. The purpose this bill seeks to accomplish should have been done by Congress many years ago.

The inadequate compensation of the group of faithful public servants the measure is designed to increase has long been a reproach upon the Government. No better evidence need be produced to prove the tardiness of legislation when it comes to rectifying wrongs than the record of neglect in respect to the matters this bill is intended to rectify. Every few years Congress has been enacting legislation to increase the compensation of different groups of postal employees, so that they will more nearly accord with the salaries paid in the industries, so that they will correspond with the increasing costs of living, so that they will provide for the faithful supervisors, carriers, clerks, and laborers wages upon which they can support their families, yet it is astonishing to note that the postmasters of a group of the largest offices in the country, upon whom the heavy responsibilities of management rest, have been ignored.

In saying this I want to make it clear that I do not consider we have yet done all that should be done to aid these faithful employees I have enumerated, for there is pressing need of providing additional grades for them to which they may be promoted as rewards for long service, exceptional efficiency, and so forth, and likewise need for legislation to ameliorate their working conditions. When the opportunity offers for me to support measures of this character it is my purpose to do so, but the measure to which I am now referring is to care for the small group of postmasters who have been, as I have previously said, so long ignored, and it is to this matter I wish particularly to address myself at this time.

As examples of cases of injustice such as I have in mind, of inadequately compensated postmasters, let me instance the two postmasters in my home city—Brooklyn and New York.

The salary of the postmaster at New York was fixed by Congress at but $8,000, 53 years ago, or, to be exact, May 3, 1875, and it has never been increased since.

At the time Congress acted in this matter we had not yet celebrated the centennial anniversary of this country's birth, and the progress which has since been achieved by the world in science, the arts, and industry is probably greater than the achievements of the world in these directions in all the time which went before. While everything else in the world has moved forward and upward, these salaries have stood absolutely still.

It would be altogether superfluous for me to remind the House of the increased cost of living during these 53 years. Not only has the cost of living kept soaring higher but the standard of living has kept pace with the rising costs, so that the incumbent of this office is not only obliged to spend more for the necessities which sufficed his predecessor in 1875 but he has to live according to the higher standards of to-day, and conform with habits, usages, and practices which were in those so far distant days quite unknown.

In the year 1875, when the salary for the New York postmaster was fixed, the total receipts of the entire postal system of the United States were a little less than one-third of the receipts of the New York post office in 1927. Of course, with the enormous increase in receipts there has come a corresponding increase in the responsibilities of the postmaster. His bond under the law covers every cent of this vast sum, and of many millions more involved in the money order and postal savings transactions which occur in the New York office.

In my investigation of this subject I found the following very illuminating facts which I am sure will prove of interest to my colleagues of the House. These facts deal with the remarkable growth of the postal business in the cities of New York and Brooklyn, and are staggering in their exposition not only of the great responsibilities of the postmasters of the respective cities, but of the tremendous work that is being done by the Postal Service personnel, whom every fair-minded person will admit are notoriously underpaid. Now, then, let us see:

MEMORANDUM

The salary of the postmaster at New York, N. Y., was fixed by a special act of Congress more than 50 years ago.

Comparison

Postal receipts	1875	1927
Receipts	$3,166,946.19	$75,552,970.91
Expenditures	839,445.82	36,249,908.13
Surplus	2,327,500.37	39,303,062.78

Personnel assigned:	
Number of employees (approximate)—	
1880	1,500
1928	Over 18,000
Stations operated:	
1880	19
1928	55

Receipts for the calendar year 1927 approximated the total appropriations made for conducting the entire postal service of the United States at the time the last adjustment of the salary of the postmaster was made.

The volume of business of the New York post office exceeds that of the entire Dominion of Canada.

The volume of business transacted in one month of the present time approximates more than twice the business transacted for the entire year when the salary was first fixed at $8,000 per annum.

The responsibilities of the postmaster increased correspondingly to the increase of the volume of business and the personnel, and was also increased by the introduction of the following additional new activities of the Postal Service:

Postal savings, established January 1, 1912.

Parcel Post Service, inaugurated January 1, 1913.

Government-owned motor-vehicle service added to the postmaster's responsibilities in December, 1917.

Central accounting system in 1920.

Distribution of supplies.

All of these added activities and the growth of the business increased the responsibilities, but no adjustment in salary has been made.

The New York post office has 55 classified stations and 265 contract stations.

Over 18,000 employees are required to man the service.

It receives, delivers, and dispatches 16,000,000 pieces of ordinary mail daily. Receives, delivers, and dispatches 156,000 pieces of registered mail daily. Receives and dispatches 75,000 insured and C. O. D. parcel-post packages daily. Weighs and dispatches 568,000 pounds of newspapers and periodicals daily. Issues over 600,000 salary checks in a year.

The annual cash receipts and disbursements total approximately $923,000,000.

Issued in 1927, 5,871,362 domestic money orders, totaling $66,856,849.

Issued in 1927, 451,503 international money orders, totaling $8,698,978.

Paid in 1927, 19,343,021 domestic money orders amounting to $162,940,721.

Paid in 1927, 76,460 international money orders, amounting to $976,915.

Has on deposit in postal savings $27,428,142.

Postal Savings depositors total 96,528 accounts.

Maintains a motor-vehicle fleet of 626 trucks and provides repairs and maintenance service for 41 other post offices.

Postal receipts for year ended Dec. 31, 1927	$75,552,970.71
Postal receipts for year ended Dec. 31, 1926	72,686,647.40
Increase 3.93 per cent, or	2,866,323.31

The increase for one year represents more than twice the volume of business transacted in 1875, when the present salary of the postmaster was fixed.

Mr. MADDEN. Does the gentleman think the salary of these postmasters should be increased?

Mr. O'CONNELL. I am pleading very earnestly for that. I think we ought to adopt the Sproul bill, which would give

the postmaster at New York $12,000 a year and pay the postmaster in Brooklyn, who does similarly good work, $10,000.

Mr. MADDEN. Why not make them both the same?

Mr. O'CONNELL. You bet, I will say to my friend from Illinois, I would very much like to give them both the same salary. They are worth it and more besides, as well as Hon. Skidmore Pettit, the efficient and hard-working postmaster at Jamaica, who serves a large part of my district.

Mr. LOZIER. Will the gentleman yield?

Mr. O'CONNELL. Yes; gladly.

Mr. LOZIER. Is it not true that while the work has increased enormously, yet the postmaster at New York City and the postmasters in similar cities have been given a great battery of assistant postmasters and clerks, bureau chiefs, and division chiefs, which has very largely reduced the responsibility and the work of the postmasters? Is not that true in all the large cities of the United States?

Mr. O'CONNELL. Oh, no; I will say to my friend that it may reduce their work a little, but it does not reduce in any respect their responsibility. [Applause.]

Now, I must hurry on. There are included within the New York post-office organization five stations whose activities, personnel, and postal receipts equal, or surpass the postal business transacted by many large first-class cities. This may best be indicated by the following summary showing postal receipts for the year 1927, floor space occupied, and personnel assigned:

City Hall Station

Receipts	$10,380,932
Floor space (square feet)	136,130
Personnel (employees)	1,674

Up to 1918 City Hall Station was the general post office.

The receipts are greater than those of Cleveland, Ohio, which is the eighth largest post office in the Postal Service.

Receipts are greater than those of Buffalo, N. Y., and Indianapolis, Ind., combined, and approximate the combined receipts of Toledo, Ohio; Dayton, Ohio; Richmond, Va.; Hartford, Conn.; and Memphis, Tenn.

Grand Central Station

Receipts	$6,540,977
Floor space (square feet)	120,000
Personnel (employees)	2,400

Located, as its name implies, at the terminus of the New York Central and the New York, New Haven & Hartford Railroad lines, it is a keystone in the New York postal system.

The postal receipts compare favorably with those of Baltimore, Md., and exceed those of Minneapolis, Minn., Washington, D. C., and Milwaukee, Wis.

Hudson Terminal Station

Receipts	$2,456,463
Floor space (square feet)	56,000
Personnel (employees)	1,400

This station is located in the Hudson Terminal Building with direct railway connection with the Pennsylvania lines via the Hudson & Manhattan Railroad.

This station is the distribution center for the down town financial district, and dispatches daily more than a million pieces of first-class mail.

Madison Square Station

Receipts	$5,781,872
Floor space (square feet)	58,000
Personnel (employees)	900

This station is located in the most important commercial and industrial center. The postal receipts exceed those of Milwaukee, Wis.; Indianapolis, Ind.; Atlanta, Ga.; and Dallas, Tex., and are greater than the combined receipts of Louisville, Ky., and New Orleans, La.

Varick Street Station

Receipts	$1,893,027
Floor space (square feet)	163,000
Personnel (employees)	1,100

The receipts are greater than those of Nashville, Tenn., or New Haven, Conn. There is no similar activity of such proportions in the Postal Service. Here are made up all mails intended for foreign countries. Mail is forwarded to Varick Street Station from all parts of the United States, and is distributed for final dispatch to the various countries.

Indicative of the growth in the volume of foreign business handled by the New York post office is the following comparative statement:

Number of sacks dispatched via steamships in 1927	1,557,054
Number of sacks dispatched via steamships in 1917	628,596
Increase of approximately 148 per cent or	928,458

During the period of one week, March 20 to 26, 1927, 32,960 sacks were dispatched to foreign countries via 57 different steamships. During the week of December 4 to 10, 1927, a total of 53,145 sacks were dispatched via 61 different steamships. The weekly average number of sacks dispatched aggregates 20,000, and the average number of steamships via which mail is forwarded weekly totals 56.

The motor-vehicle service requires more than 646 employees to maintain this branch of the service. There is maintained a complete overhaul and repair unit, which also provides mechanical service to 128 other post offices. The local fleet consists of 393 vehicles, which performed service of 3,411,066 miles in 1927.

Besides those units enumerated above, namely, City Hall Station, Grand Central Station, Hudson Terminal Station, Madison Square Station, and Varick Street Station, there are six other stations whose receipts are in excess of $1,000,000 per annum, namely, Trinity Station, Station S, Station A, Station G, and Station P, and five whose receipts range from $2,881,000 to $4,313,076, namely Station D, Station V, West Forty-third Street Station, Wall Street Station, and Times Square Station.

The general post office is the executive and administrative headquarters of this great organization, and houses in addition to mail-handling activities the executive, administrative, and financial sections of the organization. The responsibility of all of these activities rests solely upon the postmaster.

The present postmaster, the Hon. John J. Kiely, is exceptionally well fitted for the position, having come up from the ranks of the service, and through assignment in an official capacity to practically all of the larger units referred to above, secured an experience and training which qualifies him admirably to administer efficiently and economically all of the varied activities of the New York post office.

Turning now to Brooklyn, my home city, which is an independent post office, with, of course, its own postmaster, the Hon. Albert Firmin, we find that Congress passed an act June 5, 1920, which fixed the salaries of all postmasters in first, second, and third class post offices; and while the postmasters of all the second and third class offices, and of some of the first-class offices received an increase of about $200 each, the offices with receipts in excess of $600,000 were not affected, except that an additional grade was provided for offices with receipts of $7,000,000 and in excess of this sum, with compensation at $8,000.

Again there was legislation in 1925, when Congress, upon February 28, 1925, gave some small increases to postmasters of the third class and to a few grades in the second class. The compensation of postmasters of large offices like New York and Brooklyn were not, however, increased.

The receipts of the Brooklyn post office last year were $9,140,807.15. Brooklyn now ranks next to Chicago as to its population. Brooklyn is in fact the seventh city in the world as to population. It is credited by the Census Bureau in its estimate of July 1, 1927, with 2,274,400 people, or 459,000 more than Manhattan. The Brooklyn City post office also serves a section of Queens County, with possibly 100,000 additional patrons, and from these statistics you will perceive the transcendent importance of this great center of population over our other great cities. It is the most populous of all the boroughs making up New York City. Furthermore, it is growing with phenomenal speed. In excess of $600,000 each working day is being expended at the present time for new buildings and alterations on old ones, and you can well perceive the burden this rapid development places upon the postal organization and how it adds to the responsibilities of the postmaster.

I have mentioned that the receipts of the Brooklyn office during the year just passed amounted to $9,140,807, but this big sum by no means represents the full financial responsibility of the postmaster, and for which full responsibility he is bonded. The money-order transactions of the Brooklyn office I find, for instance, amounted last year to $59,029,187, and it has $6,299,666 on deposit in the postal savings.

I do not believe that there are any other industrial organizations in our Commonwealth with transactions of comparable volume and employing executives with comparable responsibilities which are paying so little. In our great industrial and financial institutions, few among which employ so many men or handle such large sums, it will be found that minor executives are paid more than we are paying these chief executives.

Contrasting the salaries of our postmasters in large post offices of the United States, the maximum grade of which is $8,000, with the salaries paid in New York to our city officials—and I do not doubt but a similar comparison with other cities would produce like results—we find that the postmasters are sorely discriminated against. Our city pays the dock commissioner $10,000; the chief civil-service commissioner, $8,500; commissioner of correction, $10,000; commissioner of accounts, $10,000; commissioner of water supply, $10,000; commissioner of health, $10,000; commissioner of markets, $10,000; director of budget, $12,000; and secretary to the mayor, $8,500.

I should add that while the duty of Congress is to fix compensation commensurate with the responsibility of the office—and it is the duty of the Executive to see that the positions are filled by those who measure up to the importance of the offices created—it is nevertheless of interest when we are discussing the problems involved to know that the present incumbents of these two offices are men who entered the service more than 40 years ago, starting at the lowest rungs of the postal ladder, and that they have as a result of assiduous application to duty, exemplary industry, and acknowledged efficiency climbed to the top. It is equally interesting to know that many other postmasters among those who would be benefited by this bill, in some of the chief offices of the United States, have likewise very fine records of the same kind, as, for instance, the postmaster at Philadelphia and Detroit.

In closing I would add that the Postal Service is one of the chief industries of the Nation. Upon its efficient management both our social and industrial relations and communications are very largely dependent. Any breakdown in the postal system would result in the paralysis of the country. Such men as I have referred to have devoted their lives to this business, which is our business, and it is a specialized work, so that if they abandon it they have no other market in which to offer the knowledge which they have acquired.

Under these circumstances and in view of the other facts submitted, it is only common justice to compensate them fairly for their services.

So long as the salaries fixed in 1875 and on these other remote dates I have named remain unchanged we are subject to grave reproach for permitting it. [Applause.]

Mr. WELLER. Mr. Chairman and members of the committee, after the illuminating address of my distinguished colleague from New York, I feel it is only proper and right that somebody from the city of New York and the Borough of Manhattan should say a word on behalf of the post office and the present incumbent of that office, and let the splendid work that is being done there be known throughout the country.

The present postmaster of the Borough of Manhattan of the city of New York is not of my political affiliation, but he is a gentleman who has administered the affairs of the post office for the past four and a half or five years and has brought it to the wonderful level it has now attained.

The distinguished chairman of the Committee on Appropriations asked my colleague if he wanted to raise this salary. I want to indorse with all the strength at my command the suggestion that his salary be raised, because Mr. John J. Kiely, now in active control of 18,000 men in the Post Office Department, an army in and of itself, where the distribution of mail is done in the most efficient manner known throughout the United States, should receive a salary commensurate with a man who commands an army or a man who commands a division of 18,000 men in the city of New York or anywhere throughout the United States. To say that this man should be kept at the present salary of $8,000 a year, when he has been a postman all his life and a postmaster for the past four and a half or five years, is ridiculous.

I understand nothing can be done in this bill with reference to this particular salary, but the Sproul bill will accomplish what is sought to be done with respect to this matter.

Under the administration of Mr. Kiely pneumatic tubes have been placed throughout the city of New York and Brooklyn, and it is possible now to deliver a letter within the city of New York and within the Borough of Manhattan in a matter of two or three hours.

The time has come when we should recognize such efficient work, and we must recognize efficiency irrespective of party and irrespective of any other consideration. A man who is doing his work as splendidly as Mr. Kiely is in New York should receive recognition and his salary should be advanced. He should receive at least the sum of $12,000 a year, and I will support the bill introduced by the gentleman from Illinois [Mr. SPROUL] which contemplates such an increase. [Applause.]

The Clerk read as follows:

For the inland transportation of mail by aircraft, under contract, and for the incidental expenses thereof including not to exceed $30,000 for assistant superintendents and clerks at air mail transfer points, in accordance with the act approved February 2, 1925, and amended June 3, 1926, $6,430,000: *Provided*, That $19,100 of this appropriation shall be available for the payment for personal services in the District of Columbia, incidental and travel expenses.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word for the purpose of asking a question.

I would like to ask the gentleman from Illinois whether the contracts for air mail meet the probable developments of the air mail service in the coming fiscal year, and will the appropriation provide for a reasonable expansion of that service?

Mr. MADDEN. There is $6,430,000 in this item. In addition to that there is an appropriation in the Department of Commerce appropriation bill for the development of airways, lighting, and so forth. There are 11,700 miles of air mail routes under contract; they are not all in operation and will not all be in operation until about the 1st of July.

The sum of $6,000,000 was asked in the Budget for carrying air mail by contract. The committee thought they ought to have some leeway, and so we added $430,000. I believe the department is satisfied.

The committee thinks that there ought to be great care exercised in the letting of contracts for air mail. They ought to be sure that there is air mail to be carried over the routes for which the contract is let. Otherwise you are not going to be able to get contractors. We are depending now on private citizens to bid for it, either as individuals or as members of corporations. It would be most unfortunate, it seems to the committee, if we should let contracts for air mail routes that turned out to be unprofitable.

Mr. BRIGGS. The committee, I understand, has the thought that in taking these contracts the contractor must be able to make a reasonable return. Otherwise there would not be sufficient interest in the service on the part of the contractor.

Mr. MADDEN. Yes; and we ought not to expand until we are reasonably certain of success.

Mr. BRIGGS. Except where they are an integral part of the air mail service throughout the country.

Mr. MADDEN. Yes; there is money enough in the fund to meet any such emergency.

Mr. BRIGGS. In the contemplated reduction in the Air Mail Service from 10 cents to 5 cents a half ounce, does the gentleman expect an increase in revenue from that reduction?

Mr. MADDEN. The committee does.

Mr. BRIGGS. My own thought is that it will produce an increase in revenue.

Mr. MADDEN. It should, but experience has shown that whether rates will bring an increase in revenue is uncertain. Nobody can tell. The best test we had on a comparison of receipts and expenditures was for seven days last October, when the deficit was shown to be about $850,000 on a yearly basis, but since that time there has been some growth. There was nothing included in that loss for the lighting of the airways which would add to the loss. But the air service is growing.

Mr. BRIGGS. I understand that the gentleman from Illinois stated in his opening speech that there were about six air mail routes showing a profit.

Mr. MADDEN. We were told that, but it is a question of how they keep their books, whether they charge off depreciation or whether they just balance receipts and expenses without any charge for depreciation.

Mr. BRIGGS. But the gentleman thinks there is a growing improvement?

Mr. MADDEN. There is a growing improvement, and it is encouraging.

Mr. BRIGGS. And the gentleman thinks that the reduction to 5 cents a half ounce will improve matters in revenue?

Mr. MADDEN. There is one thing that everybody ought to realize, and that is the Air Mail Service is not going to be self-sustaining without the cooperation of the public.

Mr. THATCHER. Mr. Chairman, I ask unanimous consent to print in the RECORD a statement of the contract Air Mail Service and the poundage rate.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The matter referred to is as follows:

CONTRACT AIR MAIL SERVICE

C. A. M. 1. Boston, Mass., via Hartford, Conn., to New York, N. Y., and return, 192 miles each way. Contract awarded October 7, 1925, to Colonial Air Transport (Inc.), 270 Madison Avenue, New York, N. Y., at $3 per pound; service commenced July 1, 1926.

C. A. M. 2. Chicago, Ill., via Peoria and Springfield, Ill., to St. Louis, Mo., and return, 278 miles each way. Contract awarded October 7, 1925, to Robertson Aircraft Corporation, Anglum, Mo., at $2.53125 per pound; service commenced April 15, 1926.

C. A. M. 3. Chicago, Ill., via Moline, Ill., St. Joseph and Kansas City, Mo., Wichita, Kans., Ponca City and Oklahoma City, Okla., to Fort Worth and Dallas, Tex., and return, 987 miles each way. Contract awarded October 7, 1925, to National Air Transport (Inc.), 506 South Wabash Avenue, Chicago, Ill., at $3 per pound; service commenced May 12, 1926.

C. A. M. 4. Salt Lake City, Utah, via Las Vegas, Nev., to Los Angeles, Calif., and return, 600 miles each way. Contract awarded October 7, 1925, to Western Air Express (Inc.), 113 West Ninth Street, Los Angeles, Calif., at $3 per pound; service commenced April 17, 1926.

C. A. M. 5. Salt Lake City, Utah, via Boise, Idaho, to Pasco, Wash., and return, 530 miles each way. Contract awarded October 7, 1925, to Walter T. Varney, post-office box 722, Boise, Idaho, at $3 per pound; service commenced April 6, 1926.

C. A. M. 6. Detroit, Mich., to Cleveland, Ohio, and return, 91 miles each way. Contract awarded November 25, 1925, to Ford Motor Co., Dearborn, Mich., at $1.08 per pound; service commenced February 15, 1926.

C. A. M. 7. Detroit, Mich., to Chicago, Ill., and return, 237 miles each way. Contract awarded November 25, 1925, to Ford Motor Co., Dearborn, Mich., at $1.08 per pound; service commenced February 15, 1926.

C. A. M. 8. Seattle, Wash., via Portland and Medford, Oreg., San Francisco, Fresno, and Bakersfield, Calif., to Los Angeles, Calif., and return, 1,099 miles each way. Contract awarded December 31, 1925, to Pacific Air Transport (Inc.), 593 Market Street, San Francisco, Calif., at $2.8125 per pound; service commenced September 15, 1926.

C. A. M. 9. Chicago, Ill., via Milwaukee, Madison, and La Crosse, Wis., to St. Paul and Minneapolis, Minn., and return, 383 miles each way. Contract awarded January 11, 1926, and service commenced June 7, 1926; Northwest Airways (Inc.), St. Paul, Minn., present contractor at $2.75 per pound.

C. A. M. 11. Cleveland, Ohio, via Youngstown, Ohio, and McKeesport, Pa., to Pittsburgh, Pa., and return, 123 miles each way. Contract awarded March 27, 1926, to Clifford Ball, 407 Market Street, McKeesport, Pa., at $3 per pound; service commenced April 21, 1927.

C. A. M. 12. Cheyenne, Wyo., via Denver and Colorado Springs, Colo., to Pueblo, Colo., and return, 199 miles each way. Contract awarded March 29, 1926, and service commenced May 31, 1926; Western Air Express (Inc.), 113 West Ninth Street, Los Angeles, Calif., present contractor, at $0.83 per pound.

C. A. M. 16. Cleveland, Ohio, via Akron, Columbus, Dayton, and Cincinnati, Ohio, to Louisville, Ky., and return, 339 miles each way. Contract awarded October 10, 1927, to Continental Air Lines (Inc.), 1259 Union Trust Building, Cleveland, Ohio, at $1.22 per pound; service not yet in operation.

C. A. M. 17. New York, N. Y., via Cleveland, Ohio, to Chicago, Ill., and return, 723 miles each way. Contract awarded April 2, 1927, to National Air Transport (Inc.), 506 South Wabash Avenue, Chicago, Ill., at $1.24 per pound; service commenced September 1, 1927.

C. A. M. 18. Chicago, Ill., via Iowa City and Des Moines, Iowa, Omaha and North Platte, Nebr., Cheyenne and Rock Springs, Wyo., Salt Lake City, Utah, Elko and Reno, Nev., and Sacramento to San Francisco, Calif., and return, 1,904 miles each way. Contract awarded January 29, 1927, to Boeing Air Transport (Inc.), Georgetown Station, Seattle, Wash., at $1.50 per pound; service commenced July 1, 1927.

C. A. M. 19. New York, N. Y., via Philadelphia, Pa., Washington, D. C., Richmond, Va., Greensboro, N. C., and Spartansburg, S. C., to Atlanta, Ga., and return, 773 miles each way. Contract awarded February 28, 1927, to Pitcairn Aviation (Inc.), Land Title Building, Philadelphia, Pa., at $3 per pound; service not yet in operation.

C. A. M. 20. Albany, N. Y., via Schenectady, Syracuse, Rochester, Buffalo, N. Y., to Cleveland, Ohio, and return, 452 miles each way. Contract awarded July 27, 1927, to Colonial Western Airways (Inc.), 270 Madison Avenue, New York, N. Y., at $1.11 per pound; service commenced December 17, 1927.

C. A. M. 21. Dallas, via Houston, to Galveston, Tex., and return, 283 miles each way. Contract awarded August 17, 1927, to Texas Air Transport (Inc.), Fort Worth Club Building, Fort Worth, Tex., at $2.89 per pound; service commenced February 6, 1928.

C. A. M. 22. Dallas, via Waco, Austin, and San Antonio, to Laredo, Tex., and return, 417 miles each way. Contract awarded August 17, 1927, to Texas Air Transport (Inc.), Fort Worth Club Building, Fort Worth, Tex., at $2.89 per pound; service commenced February 6, 1928.

C. A. M. 23. Atlanta, Ga., via Birmingham and Mobile, Ala., to New Orleans, La., and return, 478 miles each way. Contract awarded August 19, 1927, to St. Tammany Gulf Coast Airways (Inc.), Room R, Mezzanine Floor, Roosevelt Hotel, New Orleans, La., at $1.75 per pound; service not yet in operation.

C. A. M. 24. Chicago, Ill., via Indianapolis, Ind., to Cincinnati, Ohio, and return, 270 miles each way. Contract awarded November 15, 1927, to Embry-Riddle Co., Lunken Airport, Cincinnati, Ohio, at $1.47 per pound; service commenced December 17, 1927.

C. A. M. 25. Atlanta, Ga., via Jacksonville, to Miami, Fla., and return, 595 miles each way. Contract awarded November 23, 1927, to Pitcairn Aviation (Inc.), Land Title Building, Philadelphia, Pa., at $1.46 per pound; service not yet in operation.

C. A. M. 26. Great Falls, via Helena and Butte, Mont., and Pocatello, Idaho, to Salt Lake City, Utah, and return, 493 miles each way. Contract awarded December 30, 1927, to Alfred Frank, Salt Lake City, Utah, at $2.475 per pound; service not yet in operation.

FOREIGN MAIL ROUTES

F. M. 2. Seattle, Wash., to Victoria, British Columbia, and return, 84 miles each way. Contract awarded May 23, 1927, to Northwest Air Service (Inc.), care of postmaster, Seattle, Wash., at $190 per round trip; service commenced July 1, 1927.

F. M. 3. New Orleans to Pilottown, La., and return, 80 miles each way. Contract awarded May 21, 1927, to Arthur E. Cambas, 4322 Burgundy Street, New Orleans, La., at $110 per round trip; service commenced July 1, 1927.

F. M. 4. Key West, Fla., to Habana, Cuba, 90 miles one way (Cuban mail carried on return trip). Contract awarded July 19, 1927, to Pan American Airways (Inc.), 50 East Forty-second Street, New York, N. Y., at 40½ cents per pound; service commenced October 19, 1927.

The Clerk read as follows:

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

For manufacture of adhesive postage stamps, special-delivery stamps, books of stamps, stamped envelopes, newspaper wrappers, postal cards, and for coiling of stamps, $7,950,000.

Mr. GILBERT. Mr. Chairman, I move to strike out the last two words. Under what arrangement does the Government procure printed stamped envelopes?

Mr. MADDEN. The Government has a contract for printing stamped envelopes, which will expire next year. I think not more than $30,000 on a whole year's supply.

Mr. GILBERT. Mr. Chairman, I am opposed to the Government entering into any activity that is not a necessary function of Government.

This appropriation is necessary to fulfill the Government's annual payment under its four-year contract for stamped envelopes with return notice, and so forth. I do not oppose this appropriation for the sole reason that I want the Government to live up to its contract, but I am opposed to the renewal of that contract when it expires and serve notice that I shall fight any extension as unwise in principle.

There is no reason for the Government to appropriate money to carry on any business that is not a necessary function of government. I am opposed to any appropriation to permit the Government to go into either the printing or the stationery business. The statement is made, and perhaps it is correct, that by this method the users of this character of printed stationery may acquire it cheaper than from private sources. It is also stated that this will therefore benefit a large number of people and adversely affect only a few. This statement is also no doubt true. Yet, conceding the truth of both statements, are we justified in this intrusion of the Government into a legitimate field of private business which is not a necessary function of government?

I have received many letters from my district which are inspired by the chamber of commerce of the city (Dayton, Ohio) which has the monopoly of doing this printing for the Government. This fact is not disclosed in the letters. These letter writers all favor the continuance of the custom. One of these letters to me is from a shoe merchant in my district, who says that he can buy his stationery much cheaper this way, and if the Government did not do this work only a few printers would be benefited thereby. I concede this also to be true, yet still is it wise for the Government to do this printing?

Is it not the purpose of government to protect the rights of the few as well as the rights of the many? I suggested to the shoe merchant that if the Government went into the shoe business and manufactured millions of pairs of shoes it would probably furnish them to the wearers of shoes cheaper than they are now buying them, and only a few shoe merchants would suffer therefrom. This also would apply with equal force to countless other phases of private business, and if for that reason alone the Government did invade many fields of private business the final result would be that there would be no business outside of the Government.

Regardless of the great number benefited and the small number prejudiced, I see no more reason for the Government to go into the stationery and printing business than into the shoe business or any other unnecessary business. I am therefore opposed to the principle of appropriating for this activity.

The Clerk read as follows:

For pay of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof, $106,000,000.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. Is the appropriation provided here for rural carrier service adequate to meet all demands?

Mr. MADDEN. The appropriation is $106,000,000. There are 38 applications pending for new routes. They will all be adjudicated and most of them, I presume, will be put into

service. There are about 1,100 applications for changes in existing routes and all of those will be adjusted. There never has been a better situation in respect to the rural service than that which exists to-day. They have plenty of money here, every one admits, with no piling up of applications that are undisposed of.

Mr. BRIGGS. And this provides for a reasonable expansion of that service?

Mr. MADDEN. It provides for all of the expansion requested.

Mr. BRIGGS. Some will come in with the current fiscal year.

Mr. MADDEN. Yes.

Mr. BRIGGS. And this provides for meeting that situation as well as for pending applications?

Mr. MADDEN. Yes.

Mr. BLANTON. And the Post Office Department, especially the office of the Fourth Assistant Postmaster General, will not be able to answer that it can not furnish new service where it is needed because it has not the money.

Mr. MADDEN. It will not be justified in making that excuse.

Mr. BLANTON. Because the committee has given it all it requested along that line?

Mr. MADDEN. Yes.

The Clerk read as follows:

SEC. 2. Those civilian positions in the field services under the several executive departments and independent establishments, the compensation of which was fixed or limited by law but adjusted for the fiscal year 1925 under the authority and appropriations contained in the act entitled "An act making additional appropriations for the fiscal year ending June 30, 1925, to enable the heads of the several executive departments and independent establishments to adjust the rates of compensation of civilian employees in certain of the field services," approved December 6, 1924, may be paid under the applicable appropriations for the fiscal year 1929 at rates not in excess of those permitted for them under the provisions of such act of December 6, 1924.

Mr. MADDEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 81, line 24, after the figures "1929," insert "and thereafter."

Mr. MADDEN. Mr. Chairman, in order that there may be no misunderstanding about what this means, I wish to say that we have carried this language for years. It is necessary from year to year. What this language proposes is now being done, and if this amendment is adopted we will not be required to carry the language in the future, because it will then be permanent law.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. The head of an executive department or independent establishment, where, in his judgment, conditions of employment require it, may continue to furnish civilians employed in the field service with quarters, heat, light, household equipment, subsistence, and laundry service; and appropriations for the fiscal year 1929 of the character heretofore used for such purposes are hereby made available therefore: *Provided*, That the reasonable value of such allowances shall be determined and considered as part of the compensation in fixing the salary rate of such civilians.

Mr. MADDEN. Mr. Chairman, I move to amend by striking out the word "therefore," in line 10, on page 82, and inserting in lieu thereof the word "therefor."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MADDEN. Mr. Chairman, I have a further amendment, which I desire to offer on that paragraph.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 82, line 8, after the figures "1929," insert "and thereafter."

Mr. MADDEN. This is similar to the amendment just adopted.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. MADDEN. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10635) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1929, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. LINTHICUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LINTHICUM. When is the proper time to move to recommit the bill?

The SPEAKER. After the engrossment and third reading of the bill.

Mr. MADDEN. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The SPEAKER. The question is on ordering the previous question.

Mr. MADDEN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll. The question is on ordering the previous question on the bill and all amendments to final passage.

The question was taken; and there were—yeas 324, nays 10, not voting 99, as follows:

[Roll No. 32]

YEAS—324

Ackerman	Crail	Hastings	Milligan
Adkins	Cramton	Haugen	Montague
Allen	Crisp	Hawley	Mooney
Allgood	Cullen	Hersey	Moore, Ky.
Almon	Curry	Hickey	Moore, N. J.
Andrew	Dallinger	Hill, Ala.	Moore, Ohio
Arentz	Darrow	Hill, Wash.	Moore, Va.
Arnold	Davenport	Hoch	Morehead
Aswell	Davis	Hoffman	Morgan
Auf der Heide	Denison	Hogg	Morrow
Ayres	De Rouen	Holaday	Murphy
Bachmann	Dickinson, Iowa	Hooper	Nelson, Me.
Bacon	Dickstein	Hope	Nelson, Mo.
Barbour	Doughton	Houston, Del.	Newton
Beedy	Douglass, Mass.	Howard, Okla.	Niedringhaus
Beers	Doutrich	Howard, Nebr.	Norton, Nebr.
Begg	Doyle	Huddleston	O'Brien
Bell	Drane	Hudspeth	O'Connell
Berger	Drewry	Hughes	O'Connor, La.
Black, Tex.	Driver	Hull, Morton D.	Oldfield
Bland	Dyer	Hull, William E.	Oliver, Ala.
Blanton	Eaton	Irwin	Oliver, N. Y.
Bloom	Edwards	Jeffers	Parker
Bowles	Elliott	Jenkins	Parks
Bowling	England	Johnson, Ill.	Peery
Bowman	Englebright	Johnson, Ind.	Perkins
Box	Eslick	Johnson, Okla.	Pou
Boylan	Evans, Calif.	Johnson, Tex.	Prall
Brand, Ga.	Evans, Mont.	Johnson, Wash.	Pratt
Brand, Ohio	Fenn	Jones	Quin
Briggs	Fisher	Kahn	Ragon
Brigham	Fitzgerald, Roy G.	Kearns	Rainey
Browne	Fitzgerald, W. T.	Kelly	Ramseyer
Browning	Fitzpatrick	Kemp	Rankin
Buchanan	Fletcher	Kerr	Ransley
Buckbee	Fort	Ketcham	Rayburn
Bulwinkle	French	Kiess	Reece
Burtness	Frothingham	Kincheloe	Reed, N. Y.
Burton	Fulbright	Kopp	Reid, Ill.
Busby	Fulmer	Korell	Robinson, Iowa
Bushong	Furlow	Kvale	Robsion, Ky.
Butler	Gallivan	LaGuardia	Rogers
Byrns	Gambrill	Lanham	Romjue
Campbell	Garber	Lankford	Rowbottom
Canfield	Gardner, Ind.	Leech	Rubey
Cannon	Garner, Tex.	Lehlbach	Rutherford
Carew	Garrett, Tenn.	Letts	Sanders, N. Y.
Carley	Garrett, Tex.	Lindsay	Sanders, Tex.
Carss	Gasque	Lowrey	Sandlin
Carter	Gibson	Lozier	Schneider
Cartwright	Gifford	Luce	Sears, Nebr.
Casey	Gilbert	McClintic	Seger
Chalmers	Glynn	McKeown	Shreve
Chapman	Golder	McLaughlin	Simmons
Chindblom	Goldsborough	McLeod	Sinclair
Christopherson	Goodwin	McReynolds	Sinnott
Clague	Gregory	McSwain	Sirovich
Clarke	Green, Fla.	McSweeney	Speaks
Cochran, Mo.	Greenwood	Madden	Spearing
Cochran, Pa.	Griest	Magrady	Sproul, Ill.
Cohen	Griffin	Major, Ill.	Sproul, Kans.
Cole, Iowa	Guyer	Major, Mo.	Steele
Collier	Hale	Manlove	Stevenson
Collins	Hall, Ill.	Mansfield	Summers, Wash.
Colton	Hall, Ind.	Mapes	Sumners, Tex.
Combs	Hall, N. Dak.	Martin, Mass.	Swank
Connolly, Pa.	Hammer	Mead	Sweet
Cooper, Ohio	Hancock	Menges	Swick
Cooper, Wis.	Hardy	Merritt	Swing
Corning	Hare	Michener	Taber
Cox	Harrison	Miller	Tarver

Tatgenhorst	Vestal	Welch, Calif.	Wilson, La.
Taylor, Tenn.	Vincent, Mich.	Weller	Winter
Temple	Vinson, Ga.	Welsh, Pa.	Wolverton
Thatcher	Vinson, Ky.	White, Kans.	Woodruff
Thurston	Wainwright	White, Me.	Woodrum
Tillman	Ware	Whitehead	Wright
Tilson	Warren	Whittington	Wurzbach
Underhill	Wason	Williams, Ill.	Wyant
Underwood	Watres	Williams, Mo.	Yates
Updike	Weaver	Williams, Tex.	Zihlman

NAYS—10

Beck, Wis.	Deal	Peavey	Tinkham
Black, N. Y.	Kading	Schafer	
Clancy	Linthicum	Somers, N. Y.	

NOT VOTING—99

Abernethy	Fish	Leatherwood	Selvig
Aldrich	Foss	Leavitt	Shallenberger
Andresen	Frear	Lyon	Smith
Anthony	Free	McDuffie	Snell
Bacharach	Freeman	McFadden	Stalker
Bankhead	Graham	McMillan	Steagall
Beck, Pa.	Green, Iowa	MacGregor	Stedman
Bohn	Hadley	Maas	Stobbs
Boies	Hudson	Martin, La.	Strong, Kans.
Britten	Hull, Tenn.	Michaelson	Strong, Pa.
Burdick	Igoe	Monast	Strother
Celler	Jacobstein	Moorman	Sullivan
Chase	James	Morin	Taylor, Colo.
Connally, Tex.	Johnson, S. Dak.	Nelson, Wis.	Thompson
Connery	Kendall	Norton, N. J.	Timberlake
Crosser	Kent	O'Connor, N. Y.	Treadway
Crowther	Kindred	Palmer	Tucker
Davey	King	Palmisano	Watson
Dempsey	Knutson	Porter	White, Colo.
Dickinson, Mo.	Kunz	Purnell	Williamson
Dominick	Kurtz	Quayle	Wilson, Miss.
Douglas, Ariz.	Lampert	Rathbone	Wingo
Dowell	Langley	Reed, Ark.	Wood
Estep	Larsen	Sabath	Yon
Faust	Lea	Sears, Fla.	

So the previous question was ordered.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Faust with Mr. McDuffie.
Mr. Porter with Mr. Kindred.
Mr. Free with Mr. Dominick.
Mr. Rathbone with Mr. Connally of Texas.
Mr. Snell with Mr. Bankhead.
Mr. Graham with Mr. Davey.
Mr. Johnson of South Dakota with Mr. Igoe.
Mr. Hudson with Mrs. Norton of New Jersey.
Mr. Wood with Mr. Reed of Arkansas.
Mr. Lampert with Mr. White of Colorado.
Mr. Treadway with Mr. Steagall.
Mr. Purnell with Mr. Connery.
Mr. Morin with Mr. Sullivan.
Mr. Maas with Mr. Tucker.
Mr. Bacharach with Mr. Dickinson of Missouri.
Mr. MacGregor with Mr. Celler.
Mr. Crowther with Mr. Wingo.
Mr. Dowell with Mr. Larsen.
Mr. Fish with Mr. Moorman.
Mr. McFadden with Mr. Palmisano.
Mr. Leavitt with Mr. Yon.
Mr. Britten with Mr. Taylor of Colorado.
Mr. Anthony with Mr. Crosser.
Mr. Beck of Pennsylvania with Mr. Shallenberger.
Mr. Dempsey with Mr. Abernethy.
Mr. Frear with Mr. Hull of Tennessee.
Mr. Green of Iowa with Mr. Jacobstein.
Mr. Kendall with Mr. Douglas of Arizona.
Mr. Strong of Pennsylvania with Mr. O'Connor of New York.
Mr. Watson with Mr. Lyon.
Mr. Stobbs with Mr. Quayle.
Mr. Smith with Mr. Sabath.
Mr. Palmer with Mr. Stedman.
Mr. Chase with Mr. Kunz.
Mr. Burdick with Mr. Lea.
Mr. Foss with Mr. Kent.
Mr. Hadley with Mr. Martin of Louisiana.
Mr. Freeman with Mr. Sears of Florida.
Mr. King with Mr. McMillan.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. LINTHICUM. Mr. Speaker, I move to recommit the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LINTHICUM. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LINTHICUM moves to recommit the bill to the Committee on Appropriations with instructions to forthwith report the same back to the House with the following amendment: Add to the end of the bill the following as a new section:

"That no money herein appropriated for the enforcement of the national prohibition act shall be used in the preparation or issue of any permit for the removal or use of any industrial alcohol known to be denatured by any deadly poisonous drug."

Mr. BLANTON. Mr. Speaker, I make the point of order on the motion to recommit, that it is legislation sought to be placed without authority on an appropriation bill, in that it seeks to change the existing law, the law having been for the past 25 years that permits can be issued to remove such alcohol where it contains poisonous substances; and it seeks also to interfere with the discretion of executive officers in the performance of their duty.

The SPEAKER. The Chair would like to inquire if this is the same amendment that was offered yesterday?

Mr. BLANTON. Either the same or it substantially. Mr. Speaker GILLETT in several instances corrected wrong rulings that were inadvertently made in Committee of the Whole. I call the attention of the Chair to one in particular where Chairmen of the Committee of the Whole had held for many years that the garden-seed provision on an appropriation bill was in order; and yet, when the matter came up before the Speaker the Speaker stated that, although that holding had been held in the Committee of the Whole repeatedly, he felt it his duty to exercise proper consideration of the question, and that if he could not agree with the position of the Chairman of the committee, he was constrained not to follow it. And he sustained the point of order. I am appealing now to the judgment of the present Speaker of the House. This is a change of law, and an interference with the proper discretion that an executive officer should have in the performance of his duty.

Mr. MADDEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The Chair was not present yesterday when this question was ruled on in Committee of the Whole, but the Chair understands that the amendment is practically the same. The Chair has read the debate and read the decision of the Chairman, the gentleman from Michigan [Mr. MICHENER], and thinks that the decision was quite correct. He therefore overrules the point of order. The question is on the motion to recommit.

The question was taken; and the Speaker announced that, in the opinion of the Chair, the ayes have it.

Mr. LINTHICUM. A division, Mr. Speaker.

The SPEAKER. The gentleman from Maryland demands a division.

Mr. CAREW. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from New York demands the yeas and nays. Those in favor of taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Sixty-eight Members have risen—a sufficient number. The yeas and nays are ordered. As many as are in favor of the motion to recommit will, when their names are called, answer "yea," those opposed will answer "nay."

The question was taken; and there were—yeas 61, nays 283, not voting 89, as follows:

[Roll No. 33]

YEAS—61

Auf der Heide	Deal	Lehlbach	Prall
Beck, Wis.	De Rouen	Lindsay	Ransley
Berger	Dickstein	Linthicum	Sabath
Black, N. Y.	Douglass, Mass.	McLeod	Schafer
Bloom	Doyle	Martin, La.	Schneider
Boylan	Drewry	Mead	Sirovich
Britten	Englebright	Merritt	Somers, N. Y.
Carew	Fitzpatrick	Mooney	Spearing
Carley	Gallivan	Moore, N. J.	Tatgenhorst
Clancy	Gambrill	Niedringhaus	Tinkham
Cochran, Mo.	Glynn	O'Connell	Ware
Cohen	Griffin	O'Connor, La.	Welch, Calif.
Combs	Hancock	Oliver, N. Y.	Weller
Connolly, Pa.	Irwin	Palmisano	
Corning	Kading	Peavey	
Cullen	Kahn	Porter	

NAYS—283

Ackerman	Begg	Burdick	Clarke
Adkins	Bell	Burtness	Cochran, Pa.
Aldrich	Black, Tex.	Burton	Cole, Iowa
Allen	Bland	Bushong	Collier
Allgood	Blanton	Butler	Collins
Almon	Bowles	Byrns	Colton
Andresen	Bowling	Campbell	Cooper, Wis.
Andrew	Bowman	Canfield	Cox
Arentz	Box	Cannon	Crail
Arnold	Brand, Ga.	Carss	Cramton
Aswell	Brand, Ohio	Carter	Crisp
Ayres	Briggs	Cartwright	Crowther
Bacharach	Brigham	Casey	Curry
Bachmann	Browne	Chalmers	Dallinger
Bacon	Browning	Chapman	Darrow
Barbour	Buchanan	Chindblom	Davenport
Beedy	Buckbee	Christopherson	Davis
Beers	Bulwinkle	Clague	Denison

Dickinson, Iowa	Hastings	Magrady	Sinnott
Dickinson, Mo.	Haugen	Major, Ill.	Speaks
Doughton	Hawley	Major, Mo.	Sproul, Ill.
Doutrich	Hersey	Manlove	Sproul, Kans.
Drane	Hickey	Mapes	Steele
Driver	Hill, Ala.	Martin, Mass.	Stevenson
Dyer	Hill, Wash.	Menges	Strong, Kans.
Eaton	Hoch	Michener	Summers, Wash.
Edwards	Hoffman	Miller	Sumners, Tex.
Elliott	Hogg	Milligan	Swank
England	Holaday	Montague	Sweet
Eslick	Hooper	Moore, Ky.	Swick
Evans, Calif.	Hope	Moore, Ohio	Taber
Evans, Mont.	Houston, Del.	Moore, Va.	Tarver
Fenn	Howard, Nebr.	Morehead	Taylor, Tenn.
Fisher	Howard, Okla.	Morgan	Temple
Fitzgerald, Roy G.	Huddleston	Morrow	Thatcher
Fitzgerald, W. T.	Hudspeth	Murphy	Thurston
Fletcher	Hughes	Nelson, Me.	Tillman
Fort	Hull, Morton D.	Nelson, Mo.	Tilson
Frear	Hull, Wm. E.	Newton	Timberlake
French	Hull, Tenn.	Norton, Nebr.	Treadway
Frothingham	Jeffers	O'Brien	Underhill
Fulbright	Jenkins	Oldfield	Underwood
Fulmer	Johnson, Ind.	Oliver, Ala.	Updike
Furlow	Johnson, Okla.	Parker	Vestal
Garber	Johnson, Tex.	Parks	Vincent, Mich.
Gardner, Ind.	Johnson, Wash.	Peery	Vinson, Ga.
Garner, Tex.	Jones	Pratt	Vinson, Ky.
Garrett, Tenn.	Kearns	Quin	Wainwright
Garrett, Tex.	Kelly	Ragon	Warren
Gasque	Kemp	Rainey	Wason
Gibson	Kerr	Ramseyer	Watres
Gifford	Ketcham	Rankin	Watson
Gilbert	Kiess	Rayburn	Weaver
Golder	Kincheloe	Reece	Welsh, Pa.
Goldsborough	Kopp	Reed, N. Y.	White, Kans.
Goodwin	Korell	Reid, Ill.	White, Me.
Gregory	Kvale	Robinson, Iowa	Whitehead
Green, Fla.	LaGuardia	Robsion, Ky.	Whittington
Green, Iowa	Lanham	Rogers	Williams, Ill.
Greenwood	Lankford	Romjue	Williams, Mo.
Griest	Leech	Rowbottom	Williams, Tex.
Guyer	Letts	Rubey	Wilson, La.
Hadley	Lowrey	Rutherford	Wilson, Miss.
Hale	Lozier	Sanders, N. Y.	Winter
Hall, Ill.	Luce	Sanders, Tex.	Wolverton
Hall, Ind.	McClintic	Sandlin	Woodruff
Hall, N. Dak.	McKeown	Seger	Woodrum
Hammer	McLaughlin	Selvig	Wright
Hardy	McReynolds	Shreve	Wyant
Hare	McSweeney	Simmons	Yates
Harrison	Madden	Sinclair	

NOT VOTING—89

Abernethy	Freeman	McFadden	Smith
Anthony	Graham	McMillan	Snell
Bankhead	Hudson	McSwain	Stalker
Beck, Pa.	Igoe	MacGregor	Steagall
Bohn	Jacobstein	Maas	Stedman
Boies	James	Mansfield	Stobbs
Busby	Johnson, Ill.	Michaelson	Strong, Pa.
Celler	Johnson, S. Dak.	Monast	Strother
Chase	Kendall	Moorman	Sullivan
Connally, Tex.	Kent	Morin	Swing
Connery	Kindred	Nelson, Wis.	Taylor, Colo.
Cooper, Ohio	King	Norton, N. J.	Thompson
Crosser	Knutson	O'Connor, N. Y.	Tucker
Davey	Kunz	Palmer	White, Colo.
Dempsey	Kurtz	Perkins	Williamson
Dominick	Lampert	Pou	Wingo
Douglas, Ariz.	Langley	Purnell	Wood
Dowell	Larsen	Quayle	Wurzbach
Estep	Lea	Rathbone	Yon
Faust	Leatherwood	Reed, Ark.	Zihlman
Fish	Leavitt	Sears, Fla.	
Foss	Lyon	Sears, Nebr.	
Free	McDuffie	Shallenberger	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Kindred (for) with Mr. McDuffie (against).
Mr. Quayle (for) with Mr. Bankhead (against).
Mr. Sullivan (for) with Mr. Moorman (against).
Mr. Kunz (for) with Mr. Pou (against).
Mr. Connery (for) with Mr. Leavitt (against).
Mr. Celler (for) with Mr. Johnson of Illinois (against).
Mr. White of Colorado (for) with Mr. Snell (against).
Mr. O'Connor of New York (for) with Mr. Stalker (against).
Mrs. Norton of New Jersey (for) with Mr. Purnell (against).
Mr. Crosser (for) with Mr. Smith (against).
Mr. Graham (for) with Mr. Dominick (against).
Mr. MacGregor (for) with Mr. McMillan (against).
Mr. Beck of Pennsylvania (for) with Mr. Steagall (against).

Until further notice:

Mr. Dempsey with Mr. Mansfield.
Mr. Faust with Mr. Abernethy.
Mr. Kendall with Mr. Connally of Texas.
Mr. McFadden with Mr. Igoe.
Mr. Fish with Mr. Larsen.
Mr. Michaelson with Mr. Reed of Arkansas.
Mr. Stobbs with Mr. Davey.
Mr. Wood with Mr. Sears of Florida.
Mr. Freeman with Mr. Lea.
Mr. Palmer with Mr. Jacobstein.
Mr. Strong of Pennsylvania with Mr. Kent.
Mr. Johnson of South Dakota with Mr. Lyon.
Mr. Kurtz with Mr. Shallenberger.
Mrs. Langley with Mr. Stedman.
Mr. James with Mr. Tucker.
Mr. Hudson with Mr. Wingo.
Mr. Free with Mr. Taylor of Colorado.
Mr. Dowell with Mr. Yon.

Mr. DOUGLASS of Massachusetts. Mr. Speaker, my colleague from Massachusetts [Mr. CONNERY] is unavoidably absent. If he were present he would vote "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MADDEN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

THE LATE STANYARNE WILSON

Mr. STEVENSON. Mr. Speaker, I desire to announce that on yesterday, at Spartanburg, S. C., Hon. Stanyarne Wilson, a Member of this House for six years from the fourth South Carolina district, died.

ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, the order of business for to-morrow will be the Underhill general claims bill, which is the unfinished business on the calendar. The District appropriation bill is not ready for consideration to-morrow, and as the unfinished business on the calendar is the general claims bill, it will go on to-morrow.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. CHINDBLOM. There is some notion that other bills reported by the Claims Committee may come up to-morrow. Is that so?

Mr. TILSON. It is not the intention to take up the Private Calendar.

BRIDGES ACROSS THE TUG FORK OF BIG SANDY RIVER

Mr. DENISON. Mr. Speaker, I wish to call up Senate bill 2348, now on the Speaker's table.

The SPEAKER. The gentleman from Illinois calls up a Senate bill, which the Clerk will report.

The Clerk read the title of the bill, as follows:

A bill (S. 2348) granting the consent of Congress to the Norfolk & Western Railway Co. and Knox Creek Railway Co. to construct, maintain, and operate two bridges across the Tug Fork of Big Sandy River, near Devon, Mingo County, W. Va.

Mr. DENISON. Mr. Speaker, in this connection I would like to submit a parliamentary inquiry to the Speaker. It is the same inquiry I submitted yesterday afternoon to the Acting Speaker [Mr. TILSON]. When a Senate bill has been passed by the Senate and is messaged over to the House and is lying on the Speaker's table, and a similar bill, or a bill substantially similar, has been reported by a House committee, it is proper under the rules to move to take the Senate bill from the Speaker's table and consider it in the House. The question I wish to present is, does the same rule apply where the House bill has not only been reported by the House committee but has been passed by the House and sent over to the Senate? When I propounded my inquiry yesterday afternoon there was some discussion about the matter, and there appeared quite a difference of opinion respecting it among several of our best parliamentarians, although the Acting Speaker [Mr. TILSON] seemed to be practically sure that the rule would apply in such a case just the same as if the House bill had been reported but not passed. I would like to present that inquiry to the Speaker before this bill is acted upon, in order that there may be a ruling of the present Speaker and the question may be definitely settled for the guidance of Members when similar questions hereafter arise.

The SPEAKER. The Chair has read the debate on that question, not being present yesterday. The Chair remembers that a short time ago the present occupant of the chair was about to make a ruling on the subject sustaining the right to call up a bill under these circumstances. However, at that time the gentleman calling up the bill changed his request to one of unanimous consent, so it was not necessary for the Chair to pass directly upon the question. The Chair, however, has before him a precisely similar situation which developed in the third session of the Sixty-second Congress, where a question arose as to whether a Senate bill could be called up as a matter of right when a similar House bill had been passed. Speaker Clark, in ruling on that question, decided, in substance, that the situation, in so far as the House bill was concerned, was the same whether it had been merely reported or had actually passed. Speaker Clark held that the same rule applied, and the present occupant of the chair, having been of that opinion hitherto and being reinforced by this ruling of Speaker Clark, has no hesitation in ruling that such a bill may be called up as a matter of right.

Mr. DENISON. Mr. Speaker, the Committee on Interstate and Foreign Commerce has formally authorized me to make this motion, and therefore I renew the motion.

The SPEAKER. The Clerk will report the bill.

The Clerk read the title of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The SPEAKER. The Chair thinks it would be proper, under the circumstances, to request the Senate to return the House bill. That was done in this previous case.

Mr. DENISON. I was either going to do that, Mr. Speaker, or request them to table it or postpone its consideration indefinitely.

The SPEAKER. The gentleman will take charge of that.

Mr. DENISON. Yes; I will attend to that.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. QUAYLE, for an indefinite period, on account of undergoing an operation in a Brooklyn hospital.

Mr. GIBSON, for five days, on account of important business.

Mr. HARE. Mr. Speaker, I ask unanimous consent for leave of absence for my colleague the gentleman from South Carolina [Mr. MCMILLAN], on account of illness.

The SPEAKER. Without objection, the request is granted.

There was no objection.

THE VOLSTEAD ACT

Mr. BERGER. Mr. Speaker, I was unavoidably absent yesterday, and therefore I have to ask unanimous consent to extend my remarks in the RECORD on the subject of poisoned whisky.

Mr. SCHAFER. Reserving the right to object, are these remarks a post-mortem?

Mr. BERGER. A post-mortem about the gentleman, because I consider him "poisoned." [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BERGER. Mr. Speaker and gentlemen, I have introduced a bill to legalize the manufacture and sale of light wines and beers.

Now, let me define, first, what is understood by light wines. Light wines are those containing 12 per cent or less of alcohol. And beer is the usual beverage of barley and hops with an alcoholic content of 4 per cent or less.

VOLSTEAD LAW IS MAKING OUR NATION A "HARD-LIQUOR" NATION

My reason for introducing that bill, above all, is the fact that the Volstead Act is arbitrary, unscientific, and nonsensical, and that it can not be effectively enforced under present conditions.

Furthermore, also, that the eight years of attempted enforcement of the Volstead Act have brought about disastrous consequences to the morale of our country. During these eight years crime has increased and drunkenness has increased. The reason for that is simple. Beer and light wines can not be obtained readily, but one can get whisky. People bought and used whisky which they got from bootleggers.

The kind of whisky people can get, however, is inferior and harmful and instills poisons in hundreds of thousands of our people, especially, also, of our young people.

Since we have prohibition our Nation has not only become a Nation of home-brewers, making inferior beer to take the place of the good old beer that we had in the past, but, what is worse, our people drink again "hard liquor." And that is a great pity, since in 1917 we were just on the point of getting used to light wines and beers.

CREATING "LAW JAMS"

One of the worst aspects of the Volstead Act is that violations of law have ceased to be regarded as crimes. Violations are so common that the Federal courts are congested with liquor cases. The beginning of 1928 has seen one of the worst law jams and court congestions in the history of the country.

Prohibition cases are chiefly responsible for that. At the present time criminal litigation alone, based on violations of the Volstead Act, represent more than 50 per cent of all the criminal litigation in the Federal courts.

And another feature of this is that fully 15,000 dry cases must be nolle prossed by Federal district attorneys because the Government's evidence has collapsed.

I shall submit a table showing the record, by years, of Volstead law arrests and prosecutions, which will give a view of court congestion.

SPYING IS A JOB NEITHER DECENT NOR HONORABLE

And since the Volstead Act is a bad act, it naturally needs "bad actors" to enforce it.

When prohibition was getting under way a suggestion was made in Congress to select all the agents by civil service. The late Wayne B. Wheeler, however, objected strenuously. He and his Anti-Saloon crowd wanted a hand-picked crew—and having full sway in Congress—Congress let Wayne B. Wheeler have his way.

The result was a bad failure. Therefore lately the Anti-Saloon League began to clamor for a civil-service examination, which the old force had also to undergo. And although the test was not scholastic and had nothing to do with book learning—and the questions were very simple, practical questions—75 per cent of the present 2,000 supervisors, inspectors, and agents of the Federal prohibition enforcers were unable to pass the examination.

The failure of these men to pass so simple an examination caused considerable comment all over the country.

But that result can also be explained very readily.

The service under the Volstead Act is one which in the main appeals only to persons of a low grade of intelligence or those who can not find any other jobs. "High-brow" prohibition agents—which in this case would mean prohibition agents who can read and use common, everyday intelligence—would perhaps be all right if the job they were called upon to do was either decent or honorable.

CELLAR SNOOPER KNOWS LESS THAN EIGHTH-GRADE BOY

As everyone knows, however, the prohibition agent, with few exceptions, is rarely asked to do anything that is decent or honorable. Most of his time he is supposed to spend snooping on his neighbors and otherwise make a nuisance of himself. And not a small part of his time he must spend making a hash of the spirit, if not of the letter, of the Constitution of the United States under the pretext of enforcing the eighteenth amendment.

And thus the Prohibition Bureau begot a crowd three-quarters of which could not pass an examination, which any boy or girl who has finished the eighth grade in a public school would easily pass. Out of a force of 2,000 men three-quarters of those spies and cellar snoopers failed to qualify in that examination.

So much for this side of the question.

PLEASE LOOK AT THE MONEY SPENT

But now as to the other side.

National prohibition finished the eighth year of its existence on January 16, 1928.

The financial outlay by the Federal Government for the enforcement of this act during the eight years follows:

Prohibition Unit	$75,716,860
Coast Guard, approximate	70,000,000
Department of Justice, approximate	32,000,000
Total	177,716,860

Nor is that all.

AND LOOK AT THE INCOME LOST

There has been, on the other hand, a definite loss in revenues that the Government derived from spirits and beers. These amounted to $483,050,854.47 in 1919 and $443,389,544.98 in 1918.

In the eight years before 1918 the internal-revenue receipts from these sources were:

1910	$201,008,670.88
1911	211,804,579.55
1912	212,042,339.92
1913	223,314,452.21
1914	226,179,689.76
1915	223,948,646.09
1916	247,453,543.52
1917	284,008,512.62

This was an increase from 1910 to 1917 of more than $80,000,000 in annual receipts. Discounting the two abnormal years of taxes collected and assuming that the eight years from 1920 to 1928 would have seen a like increase in these revenues, the total that might now be expected if prohibition had not come would be close to $350,000,000 or more a year.

FIGURES PROVING DRUNKENNESS STEADILY ON THE INCREASE

And the most significant result is that drunkenness has increased continuously.

Drunkenness increased almost as fast in 1926 as it did in 1925 and somewhat faster than it did in 1924.

The 602 cities and towns reporting arrests for drunkenness showed an increase from 650,961 in 1924 to 687,812 in 1925 and 711,889 in 1926. I have no figures for 1927 as yet.

In 534 cities and towns arrests for drunkenness in 1926 increased 136 per cent above 1920—above the first year of national prohibition.

In 403 cities and towns reporting for 1914 to 1926, arrests for drunkenness in 1926 were higher than in any previous year with the one exception of the war-boom peak of 1916. The 1916 peak was 563,792 for drunkenness, and 1926 almost reached that peak year, being 559,074.

MORE DRUNKENNESS IN THE NATIONAL CAPITAL THAN EVER

Intoxication in Washington, the National Capital, has apparently risen to new high altitudes. At any rate, all previous records for commitments to the District of Columbia Jail for intoxication were shattered in the last fiscal year, ending June 30, 1927, according to the annual report of the superintendent of the institution submitted to the District of Columbia Commissioners. The largest total commitment for a single offense in the year was for intoxication.

The report pointed out that intoxication accounted for 49.2 per cent of the total for all offenses for which prisoners were committed to the jail, and that the intoxication cases, which numbered 5,874, exceeded by 820 the number of prisoners sent to jail for the same offense in the preceding year.

Conditions in the former so-called dry States are very much worse to-day as compared with 1914 than are conditions in the so-called wet States. In the dry States the number of arrests for drunkenness went up sharply in 1926 and exceeded any year heretofore.

REPORT OF FEDERAL COUNCIL OF CHURCHES ON DRINKING AMONG YOUNG PEOPLE

But the most distressing result of the Volstead Act has been the increase in drinking among boys and girls and young people generally. There have been reports to this effect in the press so constantly from all over the United States that the matter has become common knowledge.

The Federal Council of Churches in its investigation of the subject sent questionnaires to 2,700 social workers, who, as a class, are prejudiced in favor of prohibition. Yet the great majority of the replies received stated that they observed more drinking by young people than in preprohibition times. Sheriffs and chiefs of police of towns and district attorneys give similar testimony.

The attorney general of South Dakota, a dry State before prohibition, said:

> There is a strange psychology about this liquor problem that makes it doubly significant. It is beginning to affect a different type of persons than it did before. Now it is the youngster of the family of means who is toting the bottle. The boy thinks it is smart to have a bottle on the hip, and the girls encourage the boys to do it. And they rush about in cars. It is one of the most menacing phases of the whole situation.

RAISING A NEW CROP OF DRUNKARDS

While there is not much authoritative statistics as yet upon the subject of drunkenness among the young, apparently the largest increase has taken place among those from 15 to 25 years of age.

The Police Department of Washington, D. C., has classified the arrests for drunkenness by ages, and its figures are illuminating. These official figures completely confirm the other evidence on the subject as to the Nation on the whole and leave no doubt that there has been a very considerable increase in drunkenness among the young. This can only mean that each year we are raising a new crop of drunkards which is much larger than the annual crop we used to raise under the saloon.

ABANDON ALL HOPE OF BENEFIT FROM VOLSTEAD ACT

When we also consider that drunkenness generally has already increased to the preprohibition level, and that drunken children have increased far above what was ever known to be before in our country, we can not escape the conclusion that the Volstead Act is an absolute failure—that it surely has not promoted temperance and sobriety.

Moreover, since conditions have become worse, not better, each year since we have prohibition, and with the "next generation" drinking as never before, there seems to be no hope that the Volstead Act can ever accomplish its purpose.

So much for the effect of prohibition and the Volstead Act on the young folks.

DEATHS FROM ALCOHOLISM ON THE INCREASE

But what about the injury wrought by the bootlegger, moonshine, and poison whisky on adults?

We happen to have some statistics on that question.

Figures obtained by the New York World from the United States Census Bureau indicate that the mounting death rate from alcohol, on which the attention of the country was focused sharply at the national convention of State public-health officials held in Washington May, 1927, has not been checked.

Statistics up to December 31, 1926, have been completed for the United States registration area.

They show a picture even more dismal than that unfolded in Washington. There were 4,109 deaths from alcoholism in the United States registration area, which covers nearly all the States, in the last year for which records are available. There were, in addition, 7,591 deaths from cirrhosis—hardening—of the liver, a disease which physicians ordinarily attribute to alcohol.

Starting with 1920, when the reaction from prohibition began to set in, there has been a steadily mounting tide of deaths from these two causes. In virtually every State in the Union, whether known as wet or dry, the percentages have been mounting. There is a general agreement among experts who have studied the subject that the enormous increase in deaths is to be attributed quite as much to the quality of the liquor obtainable as it is to the quantity.

In 1920, two years after the eighteenth amendment was adopted, only 20 persons were recorded in Chicago as dying from alcoholism. In 1927 there were 340 such deaths, an increase of 1,600 per cent for the eight-year period.

Detailed figures showing that the bootlegger is far more deadly than the preprohibition saloonkeeper in his heydey were made public in New York at the bureau of vital statistics of the department of health. The death rate from alcoholism for 1927 is 13 per 100,000, or slightly more than the rate for measles in peak years.

BOOTLEGGER FAR MORE DEADLY THAN SALOONKEEPER IN HIS HEYDEY

The figures reveal a startling rise beginning in 1921 and continuing year after year until in 1927 all records for the deadly effects of alcohol, good or bad, are smashed. The 1927 total is, so far as can be learned, the greatest in the history of the city.

The Chicago (Ill.) Journal of January 5 says:

> This editorial writes itself. The coroner reports that in 1927 there were in Cook County 433 deaths caused wholly by alcoholism and 161 homicides and deaths by accident clearly due to alcohol. The total, 594, is the ghastly record for 12 months of the Anti-Saloon League and the Woman's Christian Temperance Union brand of prohibition. The number of deaths due to alcoholism is mounting steadily year by year. The "drys" will chant songs in praise of the holy eighteenth amendment and the sacred Volstead Act, but the cemeteries are filling up.

IF MY BILL BECAME LAW IT WOULD PREVENT MURDER AND PROMOTE TEMPERANCE

The country evidently can not go on like this.

That is why I introduced my bill to permit the manufacture, sale, and use of light wines and beer.

I am of the firm conviction that if my bill becomes a law—and the Volstead Act is amended accordingly, and also accompanied by suitable revenue legislation—that we would eliminate all the evil effects of the present method of enforcing the eighteenth amendment. And we would also obtain what the eighteenth amendment was passed for—a greater degree of temperance.

My bill, should it become a law, would stop the growth of the bootlegging industry, check disrespect for the Constitution, eliminate scandalous corruption, and prevent murder by poison whisky. And in addition it would produce a handsome revenue which could be used for beneficial purposes.

WILL ANTI-SALOON LEAGUE PERMIT OLD PARTIES TO ACCEPT IT?

Let us hope that the Anti-Saloon League—which absolutely controls both the Republican and Democratic Parties in Congress—will permit the committee to report out my bill.

I submit herewith a table showing the number of arrests for intoxication year by year:

Summary of arrests for intoxication

(Figures from police departments)

	403 places	"Wet" States—280 places	"Dry" States—123 places	534 places	602 places
1914	531,574	425,781	105,793	----------	----------
1915	528,426	413,059	115,367	----------	----------
1916	563,792	452,029	111,763	----------	----------
1917	546,351	445,467	100,884	----------	----------
1918	428,725	358,635	70,090	----------	----------
1919	312,136	252,301	59,835	----------	----------
1920	237,101	175,326	61,775	281,561	----------
1921	321,195	244,656	76,539	376,794	----------
1922	429,886	329,215	100,671	510,150	----------
1923	506,104	393,350	112,754	597,201	----------
1924	521,474	408,034	113,440	612,389	650,961
1925	540,151	423,927	116,224	642,957	687,812
1926	559,074	434,444	124,630	664,101	711,889

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 278. An act to amend section 5 of the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926;

H. R. 3926. An act for the relief of Joseph Jameson;

H. R. 6487. An act authorizing the Baton Rouge-Mississippi River Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Baton Rouge, La.;

H. R. 7009. An act to authorize appropriations for construction at military posts, and for other purposes;

H. R. 7916. An act authorizing the Madison Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Madison, Jefferson County, Ind.; and

H. R. 9186. An act authorizing the Sistersville Ohio River Bridge Co., a corporation, its successors and assigns, to construct, maintain, and operate a toll bridge across the Ohio River at or near Sistersville, Tyler County, W. Va.

ADJOURNMENT

Mr. MADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Thursday, February 16, 1928, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, February 16, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON AGRICULTURE

(10 a. m.)

To establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce (H. R. 7940).

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON INSURANCE AND BANKING

(10.30 a. m.)

To provide security for the payment of compensation for personal injuries and death caused by the operation of motor vehicles in the District of Columbia (H. R. 9688).

COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.—caucus room)

To discuss various irrigation projects.

COMMITTEE ON THE CENSUS

(10.30 a. m.)

For the apportionment of Representatives in Congress among the several States under the Fourteenth Census (H. R. 27).

For the apportionment of Representatives in Congress (H. R. 130).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the increase of the Naval Establishment (H. R. 7359).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Proposing an amendment to the Constitution of the United States providing for national representation for the people of the District of Columbia (H. J. Res. 18).

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

A meeting to consider House Document 111.

COMMITTEE ON ROADS

(10 a. m.)

To amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads," approved July 11, 1916, as amended and supplemented (H. R. 358, 383, 5518, 7343, and 8832).

To amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads," approved July 11, 1916, as amended and supplemented, and authorizing appropriation of $150,000,000 per annum for two years (H. R. 7019).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

366. A letter from the Acting Secretary of War, transmitting report from the Chief of Engineers on preliminary survey of Smith Creek, Md. (H. Doc. No. 177); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

367. A communication from the President of the United States, transmitting supplemental estimates of appropriation amounting to $502,816.88 for the Department of Agriculture for the fiscal year 1929, together with two proposed amendments affecting estimates of appropriation contained in the Budget for the fiscal year (H. Doc. No. 176); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. YON: Committee on the Public Lands. H. R. 6993. A bill authorizing the Secretary of the Interior to sell and patent certain lands in Louisiana and Mississippi; with amendment (Rept. No. 683). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINTER: Committee on the Public Lands. H. R. 7946. A bill to repeal an act entitled "An act to extend the provisions of the homestead laws to certain lands in the Yellowstone forest reserve," approved March 15, 1906; with amendment (Rept. No. 684). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAAS: Committee on Foreign Affairs. H. R. 10884. A bill to amend the act entitled "An act to carry into effect provisions of the convention between the United States and Great Britain to regulate the level of Lake of the Woods concluded on the 24th day of February, 1925," approved May 22, 1926; without amendment (Rept. No. 685). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. S. 2301. A bill to create a commission to be known as the commission for the enlarging of the Capitol Grounds, and for other purposes; with amendment (Rept. No. 686). Referred to the House Calendar.

Mr. DYER: Committee on the Judiciary. H. R. 8927. A bill to amend the act entitled "An act to promote export trade, and for other purposes," approved April 10, 1918; with amendment (Rept. No. 689). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. YON: Committee on the Public Lands. S. 2020. An act for the relief of Leonidas L. Cochran and Rosalie Cochran Brink; without amendment (Rept. No. 687). Referred to the Committee of the Whole House.

Mr. PORTER: Committee on Foreign Affairs. H. R. 10932. A bill for the relief of the widows of certain Foreign Service officers; without amendment (Rept. No. 688). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 10844) granting an increase of pension to Sarah Hubbard, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON of Georgia: A bill (H. R. 11017) for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton futures exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. BRAND of Georgia: A bill (H. R. 11018) providing for canceling naturalization certificates if and when a naturalized citizen has since the date of the certificate of citizenship been guilty of fraud or by his acts, declarations, or conduct has ceased to be a man of good moral character; to the Committee on Immigration and Naturalization.

By Mr. KIESS: A bill (H. R. 11019) to establish a fish-cultural station and auxiliary stations at points in the State of Pennsylvania; to the Committee on the Merchant Marine and Fisheries.

By Mr. SINNOTT (by departmental request): A bill (H. R. 11020) validating certain applications for and entries of public lands; to the Committee on the Public Lands.

By Mr. COOPER of Ohio: A bill (H. R. 11021) to amend section 1 of the locomotive boiler inspection law, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER: A bill (H. R. 11022) to extend medical and hospital relief to retired officers and enlisted men of the United States Coast Guard; to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLEBRIGHT: A bill (H. R. 11023) to add certain lands to the Lassen Volcanic National Park in the Sierra Nevada Mountains of the State of California; to the Committee on the Public Lands.

By Mr. LEHLBACH: A bill (H. R. 11024) to confirm civil annuities granted under certain circumstances; to the Committee on the Civil Service.

By Mr. OLDFIELD: A bill (H. R. 11025) to amend section 202, subdivision 10, of the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. PARKER: A bill (H. R. 11026) to provide for the coordination of the public health activities of the Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMMERS of Washington: A bill (H. R. 11027) to provide for the vocational rehabilitation of residents of the District of Columbia permanently disabled in industry or otherwise and their return to employment; to the Committee on Education.

By Mr. HOLADAY: A bill (H. R. 11028) authorizing the coining of silver 50-cent pieces in commemoration of the memory of Joseph Gurney Cannon; to the Committee on Coinage, Weights, and Measures.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Nevada, favoring Federal aid for maintenance of roads built under the Federal road act; to the Committee on Roads.

Memorial of the Legislature of the State of Nevada, memorializing Congress relative to reimbursement by the Government of the United States for moneys paid by the State of Nevada for military purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARBOUR: A bill (H. R. 11029) granting a pension to Katharine Grannis; to the Committee on Invalid Pensions.

By Mr. BOWMAN: A bill (H. R. 11030) granting a pension to John Roy; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 11031) granting an increase of pension to Ellen H. Dilley; to the Committee on Invalid Pensions.

By Mr. COMBS: A bill (H. R. 11032) for the relief of the Atchison, Topeka & Santa Fe Railway Co.; to the Committee on Claims.

By Mr. DRANE: A bill (H. R. 11033) granting an increase of pension to Mary J. Graham; to the Committee on Invalid Pensions.

By Mr. EATON: A bill (H. R. 11034) granting an increase of pension to Sarah Matilda Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11035) granting an increase of pension to Catherine A. Heaton; to the Committee on Pensions.

By Mr. FRENCH: A bill (H. R. 11036) granting an increase of pension to J. W. Redington; to the Committee on Pensions.

By Mr. GIFFORD: A bill (H. R. 11037) granting an increase of pension to Lydia A. Crosby; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H. R. 11038) granting a pension to Clara E. Andress; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11039) for the relief of Jesse Dotts; to the Committee on Military Affairs.

Also, a bill (H. R. 11040) granting a pension to Mary Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11041) granting a pension to William A. Willburn; to the Committee on Invalid Pensions.

By Mr. HALE: A bill (H. R. 11042) for the relief of Ray W. Firth; to the Committee on the Civil Service.

By Mr. HANCOCK: A bill (H. R. 11043) for the relief of Ollie Keeley; to the Committee on Claims.

Also, a bill (H. R. 11044) granting a pension to Edward Currier, jr.; to the Committee on Pensions.

By Mr. HICKEY: A bill (H. R. 11045) to confer jurisdiction upon the Court of Claims to hear and determine the claim of Clara Percy; to the Committee on the Judiciary.

By Mr. HILL of Washington: A bill (H. R. 11046) granting a pension to Daniel F. Shaser; to the Committee on Pensions.

By Mr. HUDDLESTON: A bill (H. R. 11047) granting a pension to James Nelson; to the Committee on Invalid Pensions.

By Mr. JOHNSON of South Dakota: A bill (H. R. 11048) for the relief of Mary L. Ickes; to the Committee on Claims.

By Mr. LAMPERT: A bill (H. R. 11049) granting an increase of pension to Mary A. Hoon; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 11050) granting an increase of pension to Curt T. Spicer; to the Committee on Pensions.

Also, a bill (H. R. 11051) granting an increase of pension to Nancy King; to the Committee on Invalid Pensions.

By Mr. O'BRIEN: A bill (H. R. 11052) granting an increase of pension to Rosa M. Able; to the Committee on Pensions.

By Mr. PEAVEY: A bill (H. R. 11053) for the relief of Hugo Stamm; to the Committee on Indian Affairs.

By Mr. PERKINS: A bill (H. R. 11054) granting a pension to Ada C. Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11055) for the relief of persons who furnished labor, material, or money for the construction of the Barling bomber; to the Committee on Claims.

By Mr. RAMSEYER: A bill (H. R. 11056) granting an increase of pension to Ellen C. Basil; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 11057) granting an increase of pension to Rosena E. Gordon; to the Committee on Invalid Pensions.

By Mr. SEARS of Florida: A bill (H. R. 11058) authorizing the Secretary of the Navy to present former Coxswain Patrick J. Murphy with a distinguished-service medal; to the Committee on Naval Affairs.

By Mr. SNELL: A bill (H. R. 11059) granting an increase of pension to Alice Sweeney; to the Committee on Invalid Pensions.

By Mr. SOMERS of New York: A bill (H. R. 11060) to correct the military record of James H. Overbaugh; to the Committee on Military Affairs.

By Mr. SPEAKS: A bill (H. R. 11061) granting a pension to Louise Escudero; to the Committee on Pensions.

Also, a bill (H. R. 11062) granting an increase of pension to Ellen E. Whitmer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11063) granting an increase of pension to Nora Sloan; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 11064) for the relief of F. Stanley Millichamp; to the Committee on Indian Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11065) granting a pension to R. G. Rhea; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3912. By Mr. BARBOUR: Letters of Sadie C. Reynolds, Lenora Starnes, and Laura L. Foster, of Hughson, Calif., protesting against the naval-expansion program; to the Committee on Naval Affairs.

3913. Also, resolution of Taft Central Labor Union, Taft, Calif., urging that immigration from Mexico be placed upon a quota basis; to the Committee on Immigration and Naturalization.

3914. Also, petition of residents of the seventh congressional district of California, protesting against the Lankford Sunday bill (H. R. 78); to the Committee on the District of Columbia.

3915. By Mr. BOWMAN: Petition from voters of West Virginia, urging additional relief legislation for Civil War veterans and dependents; to the Committee on Invalid Pensions.

3916. By Mr. BOYLAN: Petition by clerks employed in the World War division of The Adjutant General's office, favoring the Welch bill; to the Committee on the Civil Service.

3917. Also, petition of Lodge No. 197, of the Order Sons of Italy in America, of New York, favoring resolution introduced by Senator Copeland to proclaim October 12 as Columbus Day for the observance of the anniversary of the discovery of America; to the Committee on the Judiciary.

3918. By Mr. CANFIELD: Petition of Emma Griffith, Mrs. John Ross, James B. Girard, and 76 other citizens of Madison, Ind., urging the passage of House bill 9588; to the Committee on the Judiciary.

3919. By Mr. CARLEY: Petition of the Danish Veterans' Society of New York, Peter Jensen, president, 7012 Perry Terrace, Brooklyn, N. Y., protesting against reduction of immigrants from Scandinavian countries; to the Committee on Immigration and Naturalization

3920. By Mr. CARTER: Petition of Ivis Currie, organist, and seven others of Berkeley, Calif., protesting against the passage of the Brookhart bill, relating to the distribution of motion pictures; to the Committee on Interstate and Foreign Commerce.

3921. Also, petition of Robert Harvey, manager, and several others of Oakland, Calif., protesting against the passage of the Brookhart bill, relating to distribution of motion pictures; to the Committee on Interstate and Foreign Commerce.

3922. Also, petition of Clarence L. Lewis, theater manager, and six others of Berkeley, Calif., protesting against the passage of the Brookhart bill, relating to the distribution of motion pictures; to the Committee on Interstate and Foreign Commerce.

3923. Also, petition of Thomas P. Woods and 248 employees of the United States veterans' hospital at Livermore, Calif., urging the passage of House bills 492 and 6518; to the Committee on the Civil Service.

3924. By Mr. COHEN: Petition from H. Martinsen and many other constituents, protesting against the compulsory Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

3925. By Mr. COCHRAN of Pennsylvania: Petition of Mrs. H. C. Feather and other citizens of Sandy Lake, Pa., urging the enactment of legislation for an increase in pension for Civil War veterans and their widows; to the Committee on Invalid Pensions.

3926. By Mr. COLE of Iowa: Petition of Jonas Olson and 19 other signers, residents of Le Grand, Iowa, petitioning for a pension granting increases to Civil War soldiers and their widows; to the Committee on Invalid Pensions.

3927. Also, petition of Olivia M. Pomeroy and 44 other women signers, residing at Iowa Soldiers' Home, Marshalltown, Iowa, who are widows of Civil War soldiers, petitioning for a bill to be passed granting increase in pension to Civil War widows; to the Committee on Invalid Pensions.

3928. Also, petition of Elvira Stanley, of Whittier, Iowa, and 49 other signers, residents of Whittier and Springville, Iowa, opposing a large naval expansion program; to the Committee on Naval Affairs.

3929. Also, petition of Ole H. Bryngelsam, of Le Grand, Iowa, and 44 other signers, residents of Dunbar, Le Grand, and Gilman, Iowa, being members and others of the Stavanger Monthly Meeting of Friends, believing that war is both unnecessary and un-Christian, that great armies and great navies are not a protection against but rather an incentive to war, protest against any increase of that part of our Navy designed for war purposes; to the Committee on Naval Affairs.

3930. Also, petition of 356 students and faculty members of Cornell College, Mount Vernon, Iowa, believing that the threatened departure in increased naval building is a step in the wrong direction which will lead to competitive building among the nations and eventually to war, oppose the program of increase building proposed by the Committee on Naval Affairs; to the Committee on Naval Affairs.

3931. By Mr. CRAMTON: Petition signed by Stephen M. Ruh and 25 other residents of Elkton, Mich., and vicinity, protesting against the passage of any compulsory Sunday observance bills; to the Committee on the District of Columbia.

3932. By Mr. DAVENPORT: Petition of Grace Gibson and other residents of Oneida County, N. Y., protesting against the passage of House bills 7179 and 7822 and similar bills for the compulsory observance of Sunday; to the Committee on the District of Columbia.

3933. Also, petition of Mrs. Lou A. Lewis and other citizens of Oneida County, N. Y., protesting against the passage of bills making observance of the Sabbath compulsory; to the Committee on the District of Columbia.

3934. By Mr. DRANE of Florida: Petition of the Exchange Club of Fort Meade, Fla., urging Congress of the United States to appropriate sufficient funds to provide adequate and proper housing for its officers and enlisted men; to the Committee on Military Affairs.

3935. By Mr. EATON: Petition of 55 residents of Bernardsville, N. J., against proposed enactment of compulsory Sunday observance law for the District of Columbia; to the Committee on the District of Columbia.

3936. By Mr. ENGLEBRIGHT: Petition of citizens of Redding, Calif., protesting against Lankford Sunday closing bill for the District of Columbia; to the Committee on the District of Columbia.

3937. Also, petition of Charlotte Cantrall and other citizens of Alturas, Calif., favoring increase of pensions for veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

3938. By Mr. EVANS of Montana: Petition of Harry Meyer and other residents of Butte, Mont., protesting against the passage of Senate bill 1667, the Brookhart bill; to the Committee on Interstate and Foreign Commerce.

3939. Also, petition of H. J. Torrance and other residents of Butte, Mont., and vicinity, protesting against the passage of the Brookhart bill (S. 1667); to the Committee on Interstate and Foreign Commerce.

3940. Also, petition of Mrs. Ray Nadeau and other residents of Butte, Mont., protesting against the passage of Senate bill 1667, the Brookhart bill; to the Committee on Interstate and Foreign Commerce.

3941. By Mr. FRENCH: Petition of 30 citizens of Kootenai County, Idaho, protesting against the enactment of House bill 78, or any compulsory Sunday observance; to the Committee on the District of Columbia.

3942. By Mr. FULBRIGHT: Petition of citizens of Ava, Douglas County, Mo., urging legislation in behalf of Civil War veterans and their widows; to the Committee on Invalid Pensions.

3943. By Mr. GALLIVAN: Petition of Charles E. Anderson, 1406 Columbia Road, South Boston, Mass., urging early and favorable consideration of House bill 5691, to increase the compensation and regulate the leave of absence of storekeepers, gaugers, and storekeeper-gaugers of the Internal Revenue Service; to the Committee on Appropriations.

3944. By Mr. GARBER: Letter of L. E. Raymond, manager of the Blackwell Milling & Elevator Co., of Blackwell, Okla., in protest to Senate bill 1752, in regard to the Government printing stamped envelopes; to the Committee on the Post Office and Post Roads.

3945. Also, letter of Eugene P. Gum, secretary of Oklahoma Bankers Association, Oklahoma City, Okla., in protest to the passage of Senate bill 1573; to the Committee on Banking and Currency.

3946. Also, letter of Oklahoma Cottonseed Crushers' Association, of Oklahoma City, Okla., in regard to the control of the boll weevil in the State of Oklahoma; to the Committee on Agriculture.

3947. Also, resolution of department of state, Carson City, Nev., asking that Congress give due consideration to enacting Federal aid for maintenance purposes on the same ratio as used for the basis of the present Federal aid road act; to the Committee on Roads.

3948. Also, letter of Herbert S. Foreman, Brooklyn, N. Y., urging the enactment of the Fitzgerald bill (H. R. 500) for the retirement of the disabled emergency Army officers of the World War; to the Committee on World War Veterans' Legislation.

3949. By Mr. GIBSON: Petition of residents of Newfane, Vt., opposing legislation to provide for compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

3950. By Mr. GREEN of Florida: Petition of 104 citizens of Ocala, Fla., advocating passage of bill providing for increase in pensions to Civil War veterans and Civil War widows; to the Committee on Invalid Pensions.

3951. By Mr. GUYER: Petition of 160 citizens of Franklin County, Kans., protesting the enactment of Sunday observance legislation, and particularly House bill 78; to the Committee on the District of Columbia.

3952. Also, petition of citizens of Ottawa, Franklin County, Kans., protesting the enactment of compulsory Sunday observance legislation, and particularly House bill 78; to the Committee on the District of Columbia.

3953. Also, petition of 112 citizens of Allen County, Kans., urging an increase of pensions for veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

3954. By Mr. HADLEY: Petition of residents of Kent and Seattle, Wash., protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

3955. Also, petition of residents of Sequim, Wash., protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

3956. Also, petition of a few residents of Port Angeles, Wash., protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

3957. Also, petition of a number of residents of Washington State, protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

3958. By Mr. HARRISON: Petition of Thomas Jones and others, of Berryville, Va., opposed to the proposed Navy program; to the Committee on Naval Affairs.

3959. By Mr. HAUGEN: Petition of 21 citizens of Northwood, Iowa, urging the passage of a Civil War pension bill for the relief of needy and suffering veterans and their widows; to the Committee on Invalid Pensions.

3960. By Mr. KEMP: Petition protesting against House bill 78, the Lankford compulsory Sunday observance bill; to the Committee on the District of Columbia.

3961. By Mr. KING: Petition of the National Tribune's Civil War pension bill signed by William Rose, Rushville, Ill., and 40 other citizens of my district; to the Committee on Invalid Pensions.

3962. By Mr. HOOPER: Petition of Edna Abraham and 102 other residents, of Kalamazoo, Mich., protesting against the enactment of compulsory Sunday observance legislation for the District of Columbia; to the Committee on the District of Columbia.

3963. By Mr. HOWARD of Nebraska: Petition signed by Henriette C. L. Fedderson, of Neligh, Nebr., pleading for increased pensions to Civil War veterans and widows of Civil War veterans for the relief of suffering survivors of the Civil War; to the Committee on Invalid Pensions.

3964. By Mr. KVALE: Petition of members of the Woman's Christian Temperance Union, Benson, Minn., urging passage of House bill 9588; to the Committee on the Judiciary.

3965. Also, petition of members of the Hector (Minn.) Woman's Christian Temperance Union, favoring enactment of the Stalker bill (H. R. 9588); to the Committee on the Judiciary.

3966. Also, petition of the Woman's Christian Temperance Union of Minnesota, favoring enactment of Stalker bill (H. R. 9588); to the Committee on the Judiciary.

3967. Also, petition of Omar Hanan, of Willmar, Minn., favoring enactment into law of House bills 25, 88, and 89; to the Committee on the Post Office and Post Roads.

3968. Also, petition of Farmers Union, Local No. 99, of Kandiyohi County, Minn., urging an investigation of the strike in Pennsylvania; to the Committee on Labor.

3969. By Mr. LINDSAY: Petition of R. H. Comey Brooklyn Co., protesting against House bill 7759, designed to amend the Judicial Code; to the Committee on the Judiciary.

3970. By Mr. MORROW: Petition of Rotary Club, Raton, N. Mex., opposing enactment of Box bill restricting Mexican immigration; to the Committee on Immigration and Naturalization.

3971. Also, petition of citizens of Berino, N. Mex., S. A. Donaldson, chairman, opposing proposed naval program; to the Committee on Naval Affairs.

3972. Also, petition of Parent-Teacher Association of Chamberino, N. Mex., Mrs. J. I. Ware, president, opposing proposed naval-construction program; to the Committee on Naval Affairs.

3973. By Mr. O'CONNELL: Petition of the emergency committee of the big Navy bill, Boston, Mass., protesting against the suggested naval building program involving the expenditure of from $740,000,000 to $2,500,000,000 during the next 5 to 20 years; to the Committee on Naval Affairs.

3974. Also, petition of the Women's Committee for Repeal of the Eighteenth Amendment, opposing the appropriation for the support of the prohibition-enforcement activities of the United States Coast Guard; to the Committee on Appropriations.

3975. Also, petition of Peter Henderson & Co., seedsmen, New York City, N. Y., favoring the passage of House bill 9296, revision of the postal rates; to the Committee on the Post Office and Post Roads.

3976. Also, petition of the Board of Young Friends Activities, Poplar Ridge, N. Y., opposing the proposed big Navy bill; to the Committee on Naval Affairs.

3977. By Mr. PERKINS: Petition of 1,200 citizens from several counties in the State of New Jersey, protesting against the passage of any compulsory Sunday observance bill; to the Committee on the District of Columbia.

3978. By Mr. ROBINSON of Iowa: Petition against the enactment into law of the compulsory Sunday observance bill (H. R. 78) or any similar measure, signed by J. C. Siemens and a large number of other citizens of Goldfield, Iowa; to the Committee on the District of Columbia.

3979. By Mr. SANDERS of New York: Petition of the National Tribune's Civil War pension bill, signed by Mrs. G. K. Demary and 39 other citizens of Medina, N. Y., urging legislation in behalf of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

3980. By Mr. SINCLAIR: Resolutions by the Agricultural Economic Conference at Minot, N. Dak., indorsing the McNary-Haugen bill and further Government support of cooperative marketing; to the Committee on Agriculture.

3981. Also, petition of 48 residents of Williston and Epping, N. Dak., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

3982. Also, petition of 62 residents of Regent and Beach, N. Dak., protesting against the enactment of compulsory Sunday observance legislation, and especially against House bill 78; to the Committee on the District of Columbia.

3983. By Mr. SINNOTT: Petition of 14 citizens of the second congressional district of Oregon, protesting against the compulsory Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

3984. Also, petition of numerous citizens of Wallowa County, Oreg., protesting against the enactment of House bill 78, or any compulsory Sunday observance bill; to the Committee on the District of Columbia.

3985. By Mr. SUMMERS of Washington: Petition signed by Viola G. Wing and 289 others of the State of Washington, protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

3986. Also, petition signed by John Gustafson and 21 others, of Pomeroy, Wash., urging increase in pensions for veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

3987. By Mr. TEMPLE: Petition of a number of citizens of Greene County, Pa., in support of legislation increasing the pensions of Civil War veterans and widows of Civil War veterans; to the Committee on Invalid Pensions.

3988. By Mr. THATCHER: Petition of numerous citizens of Louisville, Ky., protesting against the enactment of compulsory Sunday observance legislation, and more particularly House bill 78; to the Committee on the District of Columbia.

3989. Also, petition of numerous citizens of Louisville, Ky., protesting against the enactment of compulsory Sunday observance legislation, and more particularly House bill 78; to the Committee on the District of Columbia.

3990. Also, petition of numerous citizens of Middletown, Ky., protesting against the enactment of compulsory Sunday observance legislation, and more particularly House bill 78; to the Committee on the District of Columbia.

3991. By Mr. THURSTON: Petition of 302 students and members of the faculty of Cornell College, Mount Vernon, Iowa, protesting against the increased building program proposed by the Committee on Naval Affairs; to the Committee on Naval Affairs.

3992. By Mr. WATSON: Resolution passed by the Middletown monthly meeting of Friends, held February 5, 1928, in opposition to the proposed naval appropriation bill; to the Committee on Naval Affairs.

3993. Also, petition from Abington quarterly meeting of the Religious Society of Friends, comprising approximately 1,300 members, in opposition to increasing the naval armaments of the United States; to the Committee on Naval Affairs.

3994. Also, petition with 122 signatures of residents of Montgomery County, Pa., protesting against legislation designed to increase the naval armaments of the United States; to the Committee on Naval Affairs.

SENATE

THURSDAY, *February 16, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty and everlasting God, our Heavenly Father, who hast led us through storm and sunshine, bringing us in safety to the beginning of this day, let Thy love and patience be shown forth in our lives and conversation, Thy tenderness and compassion in our words and actions. For the duties of this day strengthen us with blessings from on high, that through Thine own enabling power whatever of good has been cast down may be raised up, whatever of truth has grown old may be made new, and that all things may advance unto perfection, when the kingdoms of this world shall have become the kingdom of our Lord and of His Christ, and He shall reign forever and ever. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, February 13, 1928,